

Banking in Europe

Data 1994-1997



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FOREWORD

GENERAL REMARKS

The development of EU-wide financial markets has progressively transformed banking in Europe. European banks have experienced substantial changes in the environment where they operate. In the past 20 years, the forces of liberalisation, internationalisation, technology, and disintermediation have shifted the industry from highly segmented and protected national markets into an increasingly consolidated and competitive single market for financial services. With the advent of the Euro, banks have accelerated the pace of consolidation through the creation of bigger and geographically more diversified financial institutions resulting from cross-border mergers.


Based on the Single European Act of February 1986 and the core principles of mutual recognition, home country control and minimum harmonisation, the common market for financial services has been created progressively. Building on the First Banking Directive (77/780/EEC), the Second Banking Directive (89/646/EEC) added depth and gave a broader basis to the co-ordination process towards single licensing, home country control and the minimum harmonisation of essential rules for credit institutions. A number of successive Directives have followed the Second Banking Directive to complement the single market framework for banking.

Information on European credit institutions is becoming increasingly important for both private sector decision-makers and public sector policy makers. Structural changes in the banking industry create business opportunities for banks whose strategies are oriented toward the exploitation of the potential of EU-wide markets. Policy makers need information in order to draft new norms and monitor the impacts of existing legislation. Due to this process of change and challenges, the collection and compilation of statistics on credit institutions is all the more important. Eurostat aims at meeting the needs for such information.

This publication reviews the situation of banking in Europe. First, it sets European credit institutions in an international context by comparing the industry with that of the USA and Japan. Second, the publication presents a thematic analysis of pan-European trends and comparisons with regard to the structure, performance, internationalisation and employment of credit institutions. Third, it reports key facts and figures on credit institutions in individual countries.

This publication is based on an initiative of Eurostat. It was carried out in co-operation with the European Central Bank and DG Internal Market whose comments and observations were invaluable. The main contributors have been national central banks, financial supervisory authorities and national statistical offices. Additional support has been obtained from the OECD.

The present publication is based on data up to the year 1997. Whilst a large set of sector specific data on credit institutions was collected on a voluntary basis for the reference year 1997 (according to the draft annex 6 to the Council Regulation 58/97 concerning structural business statistics), the basic indicators and time series referring to earlier years are based on obligatory data collection.



John Mogg
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GENERAL REMARKS

The present publication provides statistics on credit institutions in Europe for the period 1994-97. In addition to this core information on the structure, performance, internationalisation and employment of European credit institutions, the publication presents complementary data on US and Japanese banks as well as on the European financial service branch as a whole. Due to different definitions and data sources, the international comparisons and larger context provided by the complementary data are only indicative (for details, please see Methodological Notes in the end).

The [coverage of the countries](#) and the availability of data are not the same for each variable. Information on credit institutions covers 17 out of the 18 countries included in the voluntary data collection (EEA and Switzerland). Apart from Iceland, these countries provided most variables on structure, performance and employment save Ireland and Luxembourg. However, as the availability of statistics on credit institutions differs from country to country, information on individual variables may be missing for one or some countries.

Throughout the publication, aggregates are given when possible for the European Union (and Switzerland). (**EU-15** = Belgium, Denmark, Germany, Greece, Spain, France, Ireland, Italy, Luxembourg, the Netherlands, Austria, Portugal, Finland, Sweden, the United Kingdom), the Euro-zone (**EUR-11** = Belgium, Germany, Spain, France, Ireland, Italy, Luxembourg, the Netherlands, Austria, Portugal, Finland) and the European Economic Area (**EEA** = EU-15, plus Iceland and Norway).

Based on the OECD statistics (up to year 1996), limited complementary data on commercial banks in the USA and Japan are also provided.

The [coverage of enterprises](#) included in the statistics on credit institutions is limited to 'undertakings whose business is to receive deposits or other repayable funds from the public and to grant credit for own account' according to the definition of credit institutions given in Directive 77/780/EEC.

According to the NACE Rev. 1 classification, credit institutions correspond to the class 65.12 (other monetary intermediation). In some Member States credit institutions also comprise a small number of enterprises whose main activity should be classified under NACE classes 65.21 (financial leasing), 65.22 (other credit granting), 65.23 (other financial intermediation n.e.c.).

Complementary data on the commercial banks in USA and in Japan covers a more limited population of enterprises (which primarily take deposits from the public at large and provide finance for a wide range of purposes). Complementary data on the European financial services branch based on national accounts covers a larger population of financial intermediaries, such as credit institutions, investment firms, leasing enterprises, insurance companies, pension funds and financial auxiliaries.

The [coverage of these annual statistics](#) on credit institutions is based on about 50 variables included in the voluntary data collection. These variables provide information on credit institutions with regard to e.g. demography (structure), profit and loss account, balance sheet, internationalisation, employment and regions. Whilst the variables are largely defined according to the Regulation 58/97 concerning structural business statistics (draft annex 6) and Directive (86/635/EEC) on the annual accounts and consolidated accounts of banks and other financial institutions, the contents of the variables may differ owing to differences in implementation and national legislation. Moreover, the publication provides none or very limited information on credit institutions' risks, products, balance sheet items and off-balance sheet business in order to avoid burden on business and cost of collection.

Throughout the publication, data with financial values are expressed in European currency units (ECU) as the statistics are based on reference years prior to the introduction of the Euro.

ECU exchange rates as well as country and currency codes are given for information in the table below.

ECU exchange rates, annual average (1994–98):

Country	Currency code	ECU				
		1994	1995	1996	1997	1998
B	BEF	39.6565	38.5519	39.2986	40.5332	40.6207
DK	DKK	7.54328	7.32804	7.35934	7.48361	7.49930
D	DEM	1.92453	1.87375	1.90954	1.96438	1.96913
EL	GRD	288.026	302.989	305.546	309.355	330.731
E	ESP	158.918	163.000	160.748	165.887	167.184
F	FRF	6.58262	6.52506	6.49300	6.61260	6.60141
IRL	IEP	0.79361	0.81552	0.79344	0.74751	0.78624
I	ITL	1915.60	2130.14	1958.96	1929.30	1943.65
L	LUF	39.6565	38.5519	39.2986	40.5332	40.6207
NL	NLG	2.15827	2.09891	2.13973	2.21081	2.21967
A	ATS	13.5396	13.1824	13.4345	13.8240	13.8545
P	PTE	196.896	196.105	195.761	198.589	201.695
FIN	FIM	6.19077	5.70855	5.82817	5.88064	5.98251
S	SEK	9.16308	9.33192	8.51472	8.65117	8.91593
UK	GBP	0.77590	0.82878	0.81379	0.69230	0.67643
IS	ISK	83.1063	84.6853	84.6558	80.4391	79.6976
NO	NOK	8.37420	8.28575	8.19659	8.01861	8.46587
CH	CHF	1.62128	1.54574	1.56790	1.64400	1.62203
US	USD	1.18952	1.30801	1.26975	1.13404	1.12109
JP	JPY	121.322	123.012	134.084	137.077	146.415

Source: Eurostat.

Signs and symbols

The sign '—' stands for not applicable throughout the publication, while two signs stand for not available: ':' in Tables and 'n/a' in Figures.

The sign ']' stands for a break in the series, the sign '*' for an estimation and the letter 'c' for confidential data because of too few enterprises.

The abbreviation 'bn' (billion) means a thousand million.

When no data was provided for 1997, 1996 or even 1995 data was used instead, whenever available. No other estimation method was used.

CONTENTS

1. Overview of Credit Institutions in EU, USA and Japan

1.1	<i>Main indicators</i>	3
1.2	<i>Structure</i>	6
1.3	<i>Financial indicators</i>	8
1.4	<i>Employment</i>	11

2. Pan European Data – Thematic Analysis

2.1	<i>Credit institutions in the economy</i>	15
2.2	<i>Structure</i>	17
2.3	<i>Performance and Competitiveness</i>	26
2.4	<i>Internationalisation</i>	34
2.5	<i>Employment</i>	38

3. Country Analysis

3.1	<i>Belgium</i>	45
3.2	<i>Denmark</i>	50
3.3	<i>Germany</i>	55
3.4	<i>Greece</i>	60
3.5	<i>Spain</i>	64
3.6	<i>France</i>	71
3.7	<i>Ireland</i>	75
3.8	<i>Italy</i>	76
3.9	<i>Luxembourg</i>	81
3.10	<i>The Netherlands</i>	84
3.11	<i>Austria</i>	88
3.12	<i>Portugal</i>	95
3.13	<i>Finland</i>	101
3.14	<i>Sweden</i>	107
3.15	<i>The United Kingdom</i>	112
3.16	<i>Norway</i>	117
3.17	<i>Switzerland</i>	123

Methodological Notes	127
----------------------	-------	-----

Glossary	133
----------	-------	-----

Annex	139
-------	-------	-----

OVERVIEW OF CREDIT INSTITUTIONS IN EU, USA AND JAPAN

Table 1: Main indicators of credit institutions, 1997

	EU	USA	Japan
Number of enterprises	3 100	9 75	136
Number of persons employed	2 006 825	1 100 135	1 484 000
Interest and commissions received (Mio ECU)	2 429	1 000 411	125 572
Personnel costs (Mio ECU)	607 383	1 000 411	125 572
Balance sheet total (Mio ECU)	12 143 368	1 150 272	4 400 273

1) 1996 data, commercial banks, source: OECD

2) OECD definition, number of employees

3) Excluding Ireland and Italy

4) Excluding Ireland, Italy and Iceland

5) Excluding Iceland

Source: Eurostat

Statistics on credit institutions show that the size of the banking sector, employment or the number of enterprises, in Europe is higher than in the USA and Japan. Europe's strong position in banking can be partly explained by the differences in the financial systems and the relative sizes of the markets. However, banking structures and statistics show important differences that deny direct comparisons. For example, the figures for Europe refer to credit institutions, while those applying to the USA and Japan include only commercial banks in this publication.

The importance of banking in Europe is based on the fact that credit institutions play a major role in employment and a major share of assets in the financial system.



1.1 Main indicators

Europe, the USA and Japan are the major markets for banking services. In 1997 the European Single Market numbered 9 109 credit institutions, compared to about 9 575 commercial banks in the USA and 136 in Japan. Table 1 provides the main indicators of credit institutions in these markets.

Due to differences in the legal and economic history, in savings and consumption habits, as well as in culture and geography, financial markets in Europe, the USA and Japan vary in several ways. Whilst markets are becoming more integrated and some converging trends can be observed in certain areas, the banking structures of these three economies still show clear differences. The European market is made up of commercial banks, co-operative banks, savings banks, and other credit institutions (such as mortgage banks or building societies, municipal banks, postbanks and specialised credit institutions). The US banking sector comprises commercial banks, savings institutions and other financial intermediaries. The Japanese market is dominated by commercial banks, long term credit banks and co-operative banks. Apart from having various legal statuses, the banks under consideration differ with regard to size, concentration, profitability, etc.

Table 1: Main indicators of total credit institutions, 1997

	EU-15	EUR-11	EEA and CH	USA ¹	Japan ¹
Number of enterprises	9 109	8 225	9 964 [*]	9 575	136
Number of persons employed	2 696 925 [*]	2 109 359 [*]	2 845 213 [*]	1 484 000 ²	383 000 ²
Interest and commissions received (Mio ECU)	932 829 ³	732 284 ³	1 002 563 ⁴	301 441	189 515
Personnel costs (Mio ECU)	127 383 [*]	107 204 [*]	139 349 [*]	53 405	24 925
Balance sheet total (Mio ECU)	16 933 368	13 153 272	18 225 851 ⁵	3 584 373	4 430 831

1) 1996 data, commercial banks. Source: OECD.

2) OECD definition: number of employees.

3) Excluding Ireland and Italy.

4) Excluding Ireland, Italy and Iceland.

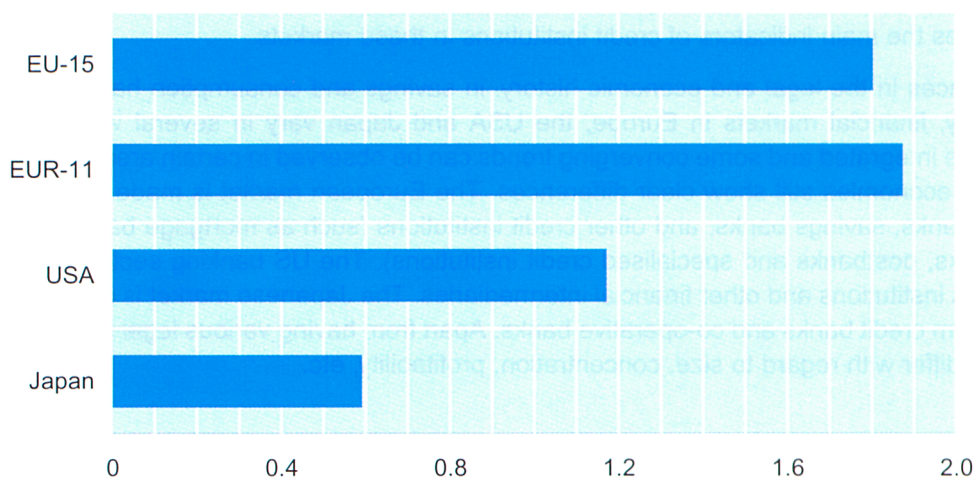
5) Excluding Iceland.

Source: Eurostat.

Statistics on credit institutions show that the size of the industry, measured by assets, employment or the number of enterprises, in Europe is bigger than those in the USA and Japan. Europe's strong position in banking can be partly explained by the differences in these financial systems and the relative sizes of the markets. However, banking structures and statistics show important differences that defy quick comparisons. For example, the figures for Europe refer to credit institutions, while those applying to the USA and Japan include only commercial banks in this publication.

The importance of banking in Europe, the USA and Japan is based on the fact that whilst credit institutions play a minor role in employment (less than 2 %), their contribution to total value added is large and they control a major share of assets in these economies.

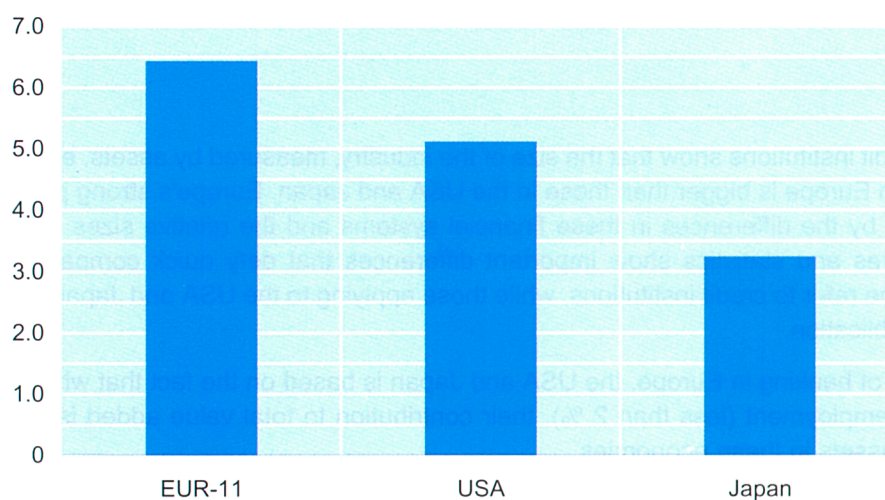
Figure 1: Employment in banking as a percentage of total employment (%), 1997 ¹



1) USA and Japan: 1996 data, commercial banks. Source: OECD.
Source: Eurostat.

When compared to total employment in the financial services branch, the contribution of credit institutions can be put in context with regard to other financial institutions. The financial services branch encompasses financial intermediation services such as those offered by credit institutions, investment firms, leasing enterprises, but also insurance and pension funding services provided by life, non-life insurance, reinsurance enterprises or pension funds, and services auxiliary to financial intermediation. National accounts record that more than 4.2 million persons work in the financial services branch of the EU, with roughly 75 % occupied within financial services and 25 % within insurance services. As a result, 2.7 million persons employed by credit institutions account for a major share of employment in financial services.

Figure 2: Value added of the financial services branch as a percentage of total, 1997 ¹



1) USA and Japan: 1996 data, commercial banks. Source: OECD.
Source: Eurostat.

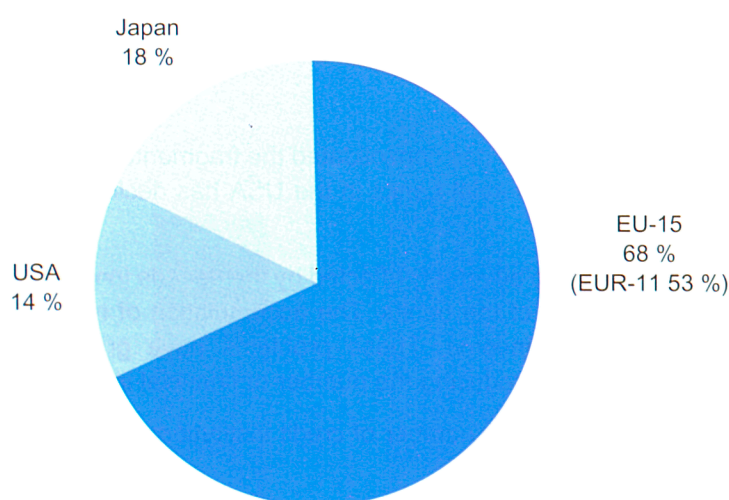
The financial services branch in general and credit institutions in particular contribute to the total value added in the economies more than their weight as employers would suggest. In the majority of EU Member States, the financial services branch represent more than 4 % of total value added. The value added of the financial services branch as a percentage of the total in the Euro-zone (6.4 %) compares favourably with that of the USA (5.1 %) and Japan (3.2 %).

The comparison of assets (balance sheet totals) held by European credit institutions with those of the US and Japanese commercial banks show the prominence of credit institutions in the European financial system. In 1997, the 50 largest credit institutions control 40 % of financial assets in OECD countries, and the average market capitalisation of world's top ten financial institutions ranges between ECU 50 and 70 billion.

Traditionally, enterprises in Europe (and Japan) have relied on financial intermediaries as the main source of financing, rather than directly raising funds from capital markets. In contrast, the disintermediation process – the shift of financial services (borrowing and saving) away from banks towards other financial or non-financial intermediaries or markets – has progressed faster in the USA, reducing the role of the banking sector in the economy. It remains to be seen whether the importance of other financial intermediaries and instruments will also increase in Europe and Japan at the expense of credit institutions and their traditional products.

However, several factors may spell the end of the trend towards increasing disintermediation. Whilst the growth of investment funds and pension funds has been rapid in the recent past, banks still control a considerable amount of assets in these economies. Moreover, in addition to their traditional products related to loan granting and deposit taking, banks are increasingly active in businesses with faster growth rates like life insurance, mutual funds and other financial services. Particularly in Europe, banks control a substantial number of UCITS (undertakings for collective investments in transferable securities).

Figure 3: Relative size of main banking markets measured by balance sheet totals (%), 1997 ¹



1) USA and Japan: 1996 data, commercial banks. Source: OECD.
Source: Eurostat.

1.2 Structure

Europe and the USA host more credit institutions than any other market in the world. There were 9 964 credit institutions in the EEA and Switzerland in 1997, compared to 9 575 commercial banks in the USA in 1996. The number of banks has declined in these three markets in recent years. However, data should be handled very cautiously for comparative purposes. Whilst the figures for Europe include banks and other credit institutions, only commercial banks are shown for the USA and Japan. Table 2 provides the number of these enterprises in Europe, the USA and Japan.

Reasons for the consolidation of the industry are somewhat different in each market though the trend is common. The single market and the introduction of the Euro have driven the consolidation of credit institutions in Europe. In the anticipation of the single currency, the number of credit institutions in the Euro-zone has fallen from 9 125 in 1994 to 8 225 in 1997 mainly due to merges of smaller entities. Whilst the creation of the single market for financial services stands prominently in the consolidation of European banks, other factors have contributed to the consolidation in the USA and Japan.

Table 2: Number of total credit institutions, 1994-1997

	1994	1995	1996	1997
EU-15	10 080 *	9 758 *	9 483	9 109
EUR-11	9 125 *	8 818	8 542	8 225
EEA and Switzerland	11 101 *	10 714	10 327 ¹	9 964 ¹
USA ²	10 488	9 984	9 575	:
Japan ²	140	139	136	:

1) Excluding Iceland.

2) Commercial banks in 1996. Source: OECD.

Source: Eurostat.

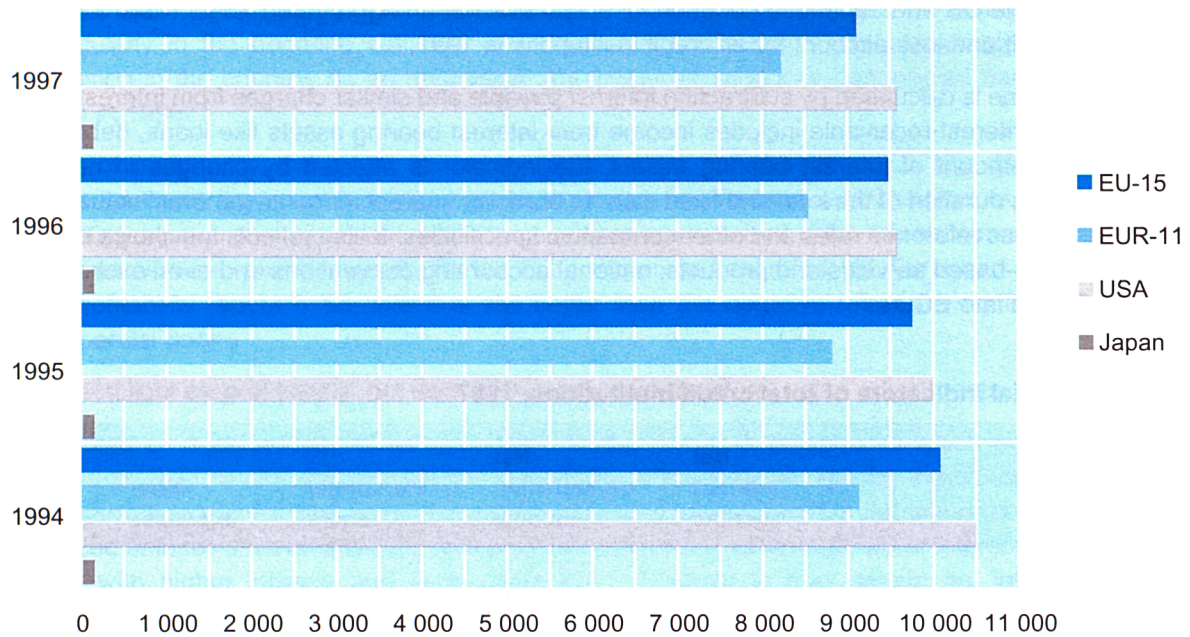
The merger wave in the USA in the 1990s has consolidated the fragmentary banking system and created nation-wide enterprises. The number of commercial banks in the USA has declined from 10 488 in 1994 to 9 575 in 1996.

In Japan, the banking system has been adversely affected by the decade long economic recession. Falling share prices have reduced the capital base of the banks. The accumulation of non-performing loans in the balance sheets has squeezed their interest income. These problems have gradually triggered actions aimed at restructuring the banking sector and at reducing the number of financial institutions.

Figure 4 shows the downward trend in the number of credit institutions in the major markets over the past few years.

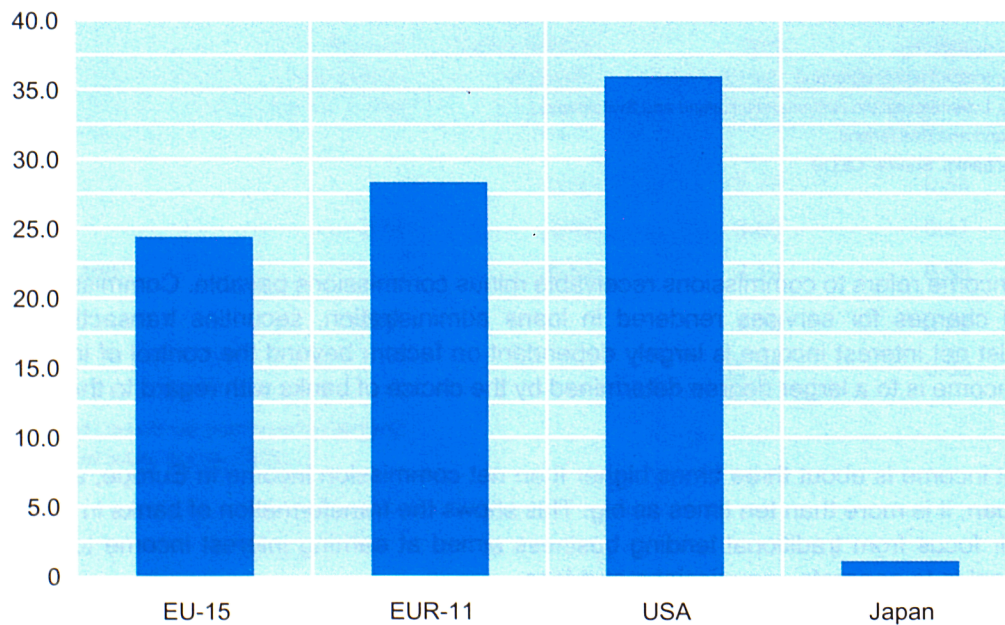
The number of credit institutions in relation to the population shows clear differences in the density of enterprises between Europe and USA on the one hand and Japan on the other hand. There are about 24 credit institutions for 1 000 000 of population in EU-15 (or 28 in EUR-11) and about 36 in the USA, but only 1.1 commercial banks for 1 000 000 persons in Japan. This fact reflects the fragmented structure of the banking industry in Europe and the USA. There is still a large number of local and regional enterprises operating in these markets.

Figure 4: Evolution of number of total credit institutions in EU-15, EUR-11, USA and Japan, 1994-97 ¹



1) USA and Japan: For 1997 data of 1996, commercial banks. Source: OECD.
Source: Eurostat.

Figure 5: Number of credit institutions per 1 000 000 of population, 1997 ¹



1) USA and Japan: 1996 data, commercial banks. Source: OECD.
Source: Eurostat.

1.3 Financial indicators

The comparison of the main financial indicators shows notable differences between the European credit institutions and the US and Japanese commercial banks even at an aggregated level. Table 3 shows the main indicators of profit and loss account for all credit institutions in 1997.

Net interest income is calculated by subtracting interest payable and similar charges from interest receivable and similar income. Interest receivable includes income from interest bearing assets like loans, debt securities, etc. Apart from the amount of interest bearing assets, the indicator is affected by changes in new lending and amortisation rate, duration of the loan and fixed income portfolio, interest margins, general fluctuations in interest rate level as well as reference rates and other contractual specificities. It also reflects the choice between lending business and fee-based services and products, national accounting conventions and even exchange rates used to convert figures into ECU's.

Table 3: Financial indicators of total credit institutions, 1997

(Mio ECU)

	Net interest income	Net commission income	Personnel costs	Other expenses	Profit or loss for the financial year
EU-15	179 988 ¹	56 804 ²	127 383 [*]	:	55 874 ³
EUR-11	149 582 ¹	39 411 ²	107 204 [*]	99 724 ⁴	35 991 ³
EEA and Switzerland	183 026 ⁵	57 427 ⁶	139 349 [*]	:	58 672 ⁷
USA ⁸	128 631	54 530	53 405	74 575	41 392
Japan ⁸	70 986	6 845	24 925	25 122	-364

1) Excluding Ireland and Italy.

2) Excluding Ireland, Italy, Luxembourg and the Netherlands.

3) Excluding Ireland.

4) Excluding Ireland and Luxembourg.

5) Excluding Ireland, Italy, Iceland and Switzerland.

6) Excluding Ireland, Italy, Luxembourg, the Netherlands, Iceland and Switzerland.

7) Excluding Ireland, Iceland and Switzerland.

8) 1996 data, commercial banks. Source: OECD.

Source: Eurostat.

Net commission income refers to commissions receivable minus commissions payable. Commissions receivable include fees and charges for services rendered in loans administration, securities transactions, brokerage services etc. Whilst net interest income is largely dependant on factors beyond the control of individual banks, net commission income is to a larger degree determined by the choice of banks with regard to their pricing policy and product mix.

Whilst net interest income is about three times higher than net commission income in Europe, and twice as big in the USA, in Japan, it is more than ten times as big. This shows the transformation of banks in Europe and the USA, shifting their focus from traditional lending business aimed at earning interest income to other financial services whose goal is to generate commissions and fees.

Personnel costs are defined as the total remuneration in cash or in kind payable by an employer to an employee in return for work done. They include wages and salaries (e.g. regular salaries, performance bonuses, cost of living and family allowances) as well as social security costs (e.g. compulsory and voluntary social contributions and taxes). Other expenses include other administrative costs and operating charges not included in personnel costs.

There are also differences in the cost structure of the European credit institutions and the US and Japanese commercial banks. Whilst personnel costs are greater than other expenses in European credit institutions, the opposite is true for commercial banks in the USA and Japan.

The profitability of the industry has varied in these markets. Whilst the European and US enterprises have been profitable, particularly in the booming US economy, Japanese banks have been adversely affected by the economic recession in the country. As an aggregate, the losses of Japanese commercial banks amounted to ECU 364 million in 1996.

As an indicator of profitability, the return on equity (ROE) ratios for EUR-11, USA and Japan support the observation that the rapid growth of the US economy has also boosted the profitability of commercial banks, while the stagnating economy in Japan has made the business environment difficult for commercial banks in the country. Compared with the return on equity for the US commercial banks (14 %), European credit institutions lag behind in profitability (about 6 %), which is still better than the negative return on equity earned by the Japanese commercial banks.

Three factors shed light on profitability: net interest income, cost structure, value adjustments.

Net interest income as a percentage of balance sheet total provides a perspective which enables to explain differences in the profitability of credit institutions. The figures show that the ratio for the US commercial banks is more than twice as big as those for the European credit institutions and the Japanese commercial banks. Whilst the reduced balance sheets of the US banks explain part of the difference, wider interest margins earned in an economy with higher interest rate levels may also contribute to their strong net interest income in comparison to their European and Japanese rivals. The profits of the US banks are also boosted by their relatively high net commission income.

Table 4: Financial ratios of total credit institutions, 1997

(Mio ECU)

	Return on equity (%)	Personnel costs / Value added at basic prices	Net interest income / Net commission income	Personnel costs / (Net interest + Net commission income)	Profit or loss for the financial year / (Net interest + Net commission income)
EU-15	:	0.66	3.17	0.54	0.24
EUR-11	5.93 ¹	0.79	3.80	0.57	0.19
EEA and Switzerland	:	0.62	3.19	0.58	0.24
USA ²	14.01	:	2.36	0.29	0.23
Japan ²	: ³	:	10.37	0.32	: ⁴

1) Excluding Ireland and Luxembourg, estimation for Germany.

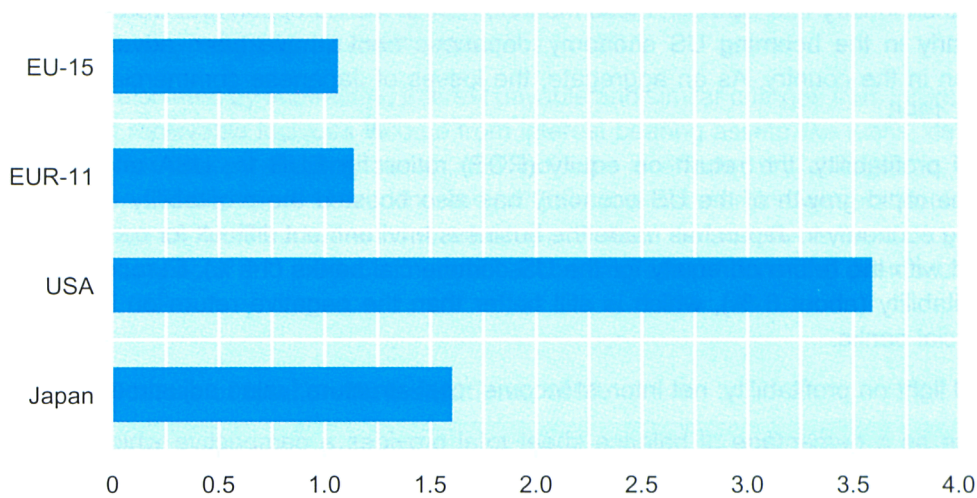
2) 1996 data, commercial banks. Source: OECD.

3) Negative value.

4) Negligible value.

Source: Eurostat.

Figure 6: Net interest income as a percentage of balance sheet total, 1997 ¹



1) USA and Japan: 1996 data, commercial banks. Source: OECD.
Source: Eurostat.

More than 50 % of net income (net interest income plus net commission income) is needed to cover personnel costs in European credit institutions. For the US and Japanese commercial banks the figures are substantially lower. On the other hand, their other expenses compare favourably with those of the US and Japanese rivals. In balance, profit or loss for the financial year as a percentage of net income is almost identical in EU-15 and USA. In Japan, heavy loan losses have affected negatively the profitability of banks. In fact, the commercial banks made an aggregated loss of 364 million ECU's in 1996. Value adjustments explain some fluctuations in profitability. Whilst value adjustments (and re-adjustments) in respect of loans and advances and provisions for contingent liabilities and for commitments have reduced the profitability of Japanese commercial banks, value adjustments in respect of transferable securities held as financial fixed assets, participating interests and shares in additional undertakings have boosted the profits of the European and US banks. This development reflects differences in growth rates of the respective economies. Loan losses and non-performing assets due to poorly performing enterprises adversely affect Japanese banks. European and US banks have benefited from rising asset prices and lowering interests.

1.4 Employment

Credit institutions play a limited role in employment in Europe, USA and Japan. Compared to the total of more than 142 million persons occupied in the European Single Market, about 120 million in the USA and 67 million in Japan, the number of persons employed by credit institutions in EU-15 (2.7 million), the USA (1.5 million) and Japan (0.38 million) account for only a small share of the labour force. Table 5 provides the number of persons employed in the markets in 1994-97.

Table 5: Number of persons employed by total credit institutions, 1994-1997

	1994	1995	1996	1997
EU-15	2 762 595 *	2 752 581	2 709 668	2 696 925 *
EUR-11	2 144 447 *	2 144 881	2 121 725	2 109 359 *
EEA and Switzerland	2 912 600 *	2 902 208	2 860 492 ¹	2 845 213 ¹
USA ²	1 483 000	1 479 000	1 484 000	:
Japan ²	414 000	400 000	383 000	:

1) Excluding Iceland.

2) Commercial banks. OECD definition: number of employees.

Source: Eurostat.

The number of persons employed by credit institutions has remained stable in the three markets over the past few years. This may reflect the balance between forces that reduce employment, like consolidation and electronic banking, and the growing demand for financial services, which increases jobs in the industry.

Table 6: Employment ratios of credit institutions, 1997

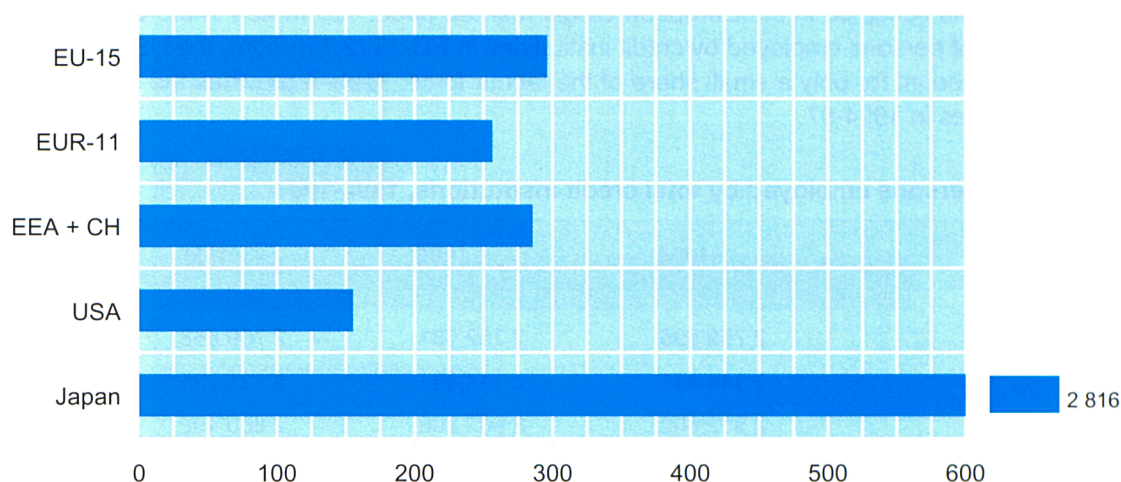
	Average number of persons employed per enterprise	Personnel costs / Persons employed (ECU)	Personnel costs / Other expenses (%)	(Net interest + Net commission income) / Persons employed (ECU)	Balance sheet total / Persons employed (Mio ECU)
EU-15	296	47 233	:	87 801	6.28
EUR-11	256	50 823	1.08	89 597	6.24
EEA and Switzerland	286	48 977	:	84 511	6.41
USA ¹	155	35 987	0.72	123 423	2.42
Japan ¹	2 816	65 079	0.99	203 214	11.57

1) 1996 data, commercial banks. Source: OECD.

Source: Eurostat.

The average number of persons employed per enterprise provides an indication of the size and concentration of credit institutions. In terms of employment, European credit institutions and the US commercial banks are of similar size, employing on average 296 and 155 persons respectively. In contrast, the Japanese commercial banks employing 2 816 persons on average, are clearly larger entities. Outnumbered by credit institutions in the USA and Europe, the Japanese commercial banks are big but few and far apart. Figure 7 shows the average number of persons employed (employees) per enterprise in Europe, the USA and Japan.

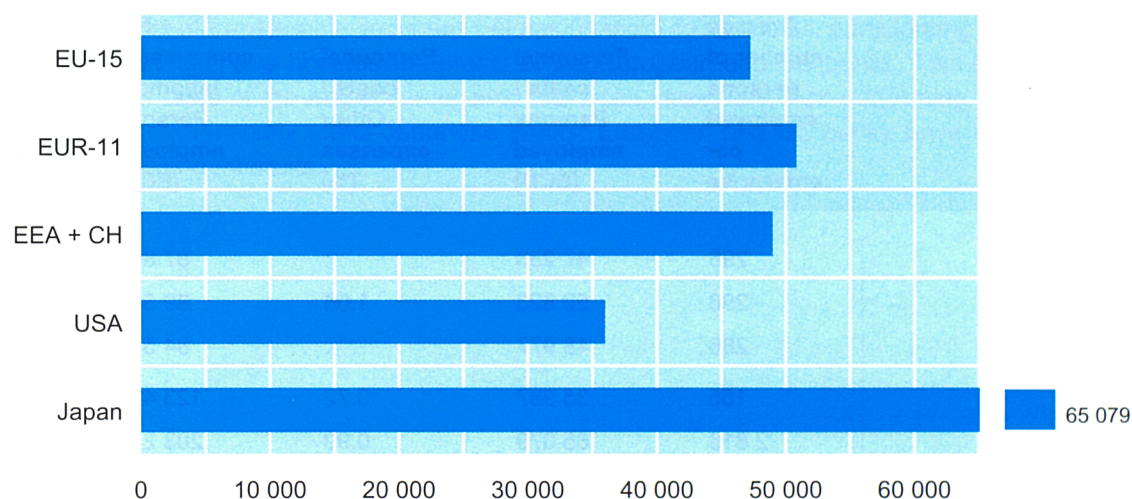
Figure 7: Average number of persons employed per enterprise, 1997 ¹



1) USA and Japan: 1996 data, commercial banks. Source: OECD.
Source: Eurostat.

Average personnel costs in credit institutions indicate labour costs in banking. However, the figures have to be interpreted very cautiously as they also reflect differences in the types of enterprises, in the general price levels in the countries and other factors that are not taken into account to make them fully comparable. Figure 8 shows average personnel costs in European credit institutions, the US and Japanese commercial banks.

Figure 8: Average personnel costs in credit institutions (ECU), 1997 ¹



1) USA and Japan: 1996 data, commercial banks. Source: OECD.
Source: Eurostat.

PAN EUROPEAN DATA THEMATIC ANALYSIS

Table 1: Credit institutions and insurance services in the economy (%), 1997

	FINANCE INSTITUTIONS	INSURANCE EMPLOYED IN THE ECONOMY
EU-15	1.74	1.88
EU-11 ¹	1.66	1.92
B	3.19	2.35
DK	22.74	2.89
D	20.64	2.15
EL	4.97	1.26
E	1.74	2.38
F	2.34	2.38
IRE	7.78	2.45
I	1.11	1.81
L	1.54	1.74
NL	2.18	1.85
A	1.37	1.86
P	2.02	1.94
FIN	1.91	1.81
S	2.12	1.84
UK	2.66	2.31
IS		
NO		
EEA ²	2.37	2.03
CH	4.79	3.52

1) Some financial institutions

2) For available data only

Source: Eurostat

Table 1: Credit institutions and insurance services in the economy (%), 1997



Inconsistencies due to a still incomplete harmonisation of methodological concepts and definitions are found for Germany and France regarding the different types of breakdowns of the indicator 'Number of enterprises'.

2.1 Credit institutions in the economy

In 1997, there is a total 9 109 credit institutions active in the European Union. The number of enterprises has generally been declining during the period 1994-1997, especially following the increasing competition which arose from the completion of the single market, which resulted in many cases in the closing down of less competitive enterprises and in the mergers of others. As in other sectors (e.g. pharmaceutical or oil industries), there has been a process of concentration in the European banking sector in order to reach critical mass and realise economies of scale. Markets-watchers reckon that a dozen players will dominate European banking within ten years. Mergers are carried out e.g. as a defensive reaction to the consolidation of the US banking system, to the dominance of American investment banks in Europe.

Table 1: Credit institutions and Insurance services in the economy (%), 1997

	Credit institutions			Insurance services of direct and reinsurance enterprises			Financial services branch ¹
	Balance sheet total / GDP	Persons employed / Total employment	Persons employed / Employment in services	Balance sheet total / GDP	Persons employed / Total employment	Persons employed / Employment in services	Value added / Total value added
EU-15 ²	237.03	1.80	3.24	46.12	0.57	1.04	:
EUR-11 ²	236.83	1.87	3.48	32.94	0.47	0.92	6.44
B	310.32	2.05	3.56	30.20	0.69	1.21	5.36
DK	223.76	1.59	2.48	66.04	0.57	0.89	:
D	280.45	2.13	3.86	36.25	0.60	1.09	5.42
EL	101.83	1.39	3.61	:	:	:	4.39
E	175.69	1.95	4.05	12.25	0.32	0.67	5.78
F	235.51	1.71	2.76	46.86	:	:	4.21
IRL	196.97	2.36	4.54	42.61	0.58	1.12	6.36
I	144.76	1.61	3.73	14.75	0.23	0.53	4.76
L	3 549.74	11.32	16.64	141.14	1.02	1.50	18.49
NL	216.03	1.67	2.55	61.28	:	:	4.48
A	237.28	2.08	3.65	22.47	0.89	1.56	7.93
P	256.38	1.44	3.28	14.74	0.29	0.65	4.92
FIN	118.63	1.25	2.15	15.04	0.45	0.78	3.09
S	212.76	1.21	1.89	71.45	0.42	0.66	3.65
UK	256.57	1.67	2.65	107.69	0.90	1.42	5.61
IS	:	:	:	:	:	:	:
NO	:	:	:	:	:	:	:
EEA ²	237.03	1.80	3.24	46.12	0.57	1.04	:
CH	479.62	3.52	5.14	:	1.55	2.26	:

1) Source: National Accounts (Credit and insurance institutions branch).

2) For available data only.

Source: Eurostat.

Table 1 shows the contribution of the credit institutions to the European economy in terms of balance sheet totals, value added and employment. To complete this analysis, it offers a comparison with insurance services, the two activities having a similar statistical structure ⁽¹⁾.

Employment in credit institutions in the EU accounts for about 1.80 % of total employment and 3.24 % of employment in services: it is measured with the number of persons employed and not with that of employees, but the two indicators only differ slightly. Employment in insurance services is comparatively low, accounting for less than 0.6 % of total employment and 1.04 % of employment in services. Employment in credit institutions and insurance services does not include figures on intermediaries or auxiliaries. At country level, the ratio on total employment shows differences, credit institutions ranges from as little as 1.21 % of total employment in Sweden to as much as 11.32 % in Luxembourg. The level of qualification of the staff in credit institutions has risen in most countries as a result of the development of new products, services and information technologies.

The ratio balance sheet total on Gross domestic product (GDP) also shows the importance of the credit institutions activity in the different economies; the rate ranges from 101.83 % in Greece to more than 3 000 % for Luxembourg. On the contrary, concerning insurance services, each European country registers a share of balance sheet total on GDP lower than 100 %, except Luxembourg (141.14 %) and the United Kingdom (107.69 %). The ratio for insurance services ranges from 12.25 % in Spain to 71.45 % in Sweden.

Compared to the rather limited contribution of the credit institutions and insurance services to employment in general, with the exception of Luxembourg, their contribution to the value added in most economies is important. The Euro-zone figure is of 6.44 %, while the share ranges from 3.09 % in Finland to 18.49 % in Luxembourg. Except for Luxembourg and Austria, the level of contribution of the financial services branch to the total national value added is relatively homogenous.

	Balance sheet total / GDP (%)	Employment / Total employment (%)	Employment / Employment in services (%)	Value added / Total value added (%)
EU-12 ²	531.68	1.80	3.24	48.13
EU-11 ²	538.83	1.83	3.48	35.94
B	310.35	2.08	3.58	30.50
DK	523.76	1.38	2.48	66.04
D	580.48	2.13	3.83	58.58
EL	101.83	1.39	3.81	-
E	175.88	1.88	4.03	15.58
F	532.81	1.71	2.78	48.84
IRL	198.87	2.38	4.54	45.81
I	144.78	1.81	3.73	14.78
L	3 048.74	11.32	18.84	141.14
NL	576.83	1.87	3.58	81.58
A	537.58	2.08	3.83	55.45
P	586.38	1.44	3.58	14.74
FIN	518.83	1.58	2.18	18.04
S	515.78	1.51	1.88	71.45
UK	588.57	1.87	3.88	107.69
IS	-	-	-	-
NO	-	-	-	-
EEA ²	547.88	1.80	3.34	48.13
CH	418.55	2.55	5.14	35.1

(1) Source: National Accounts (Credit and insurance institutions branch).

(2) For insurance this only.

Source: Eurostat.

(1) Other institutional investors include pension funds and UCITS. Statistical system for collecting information on these entities is being developed.

2.2 Structure

Trend in the number of enterprises

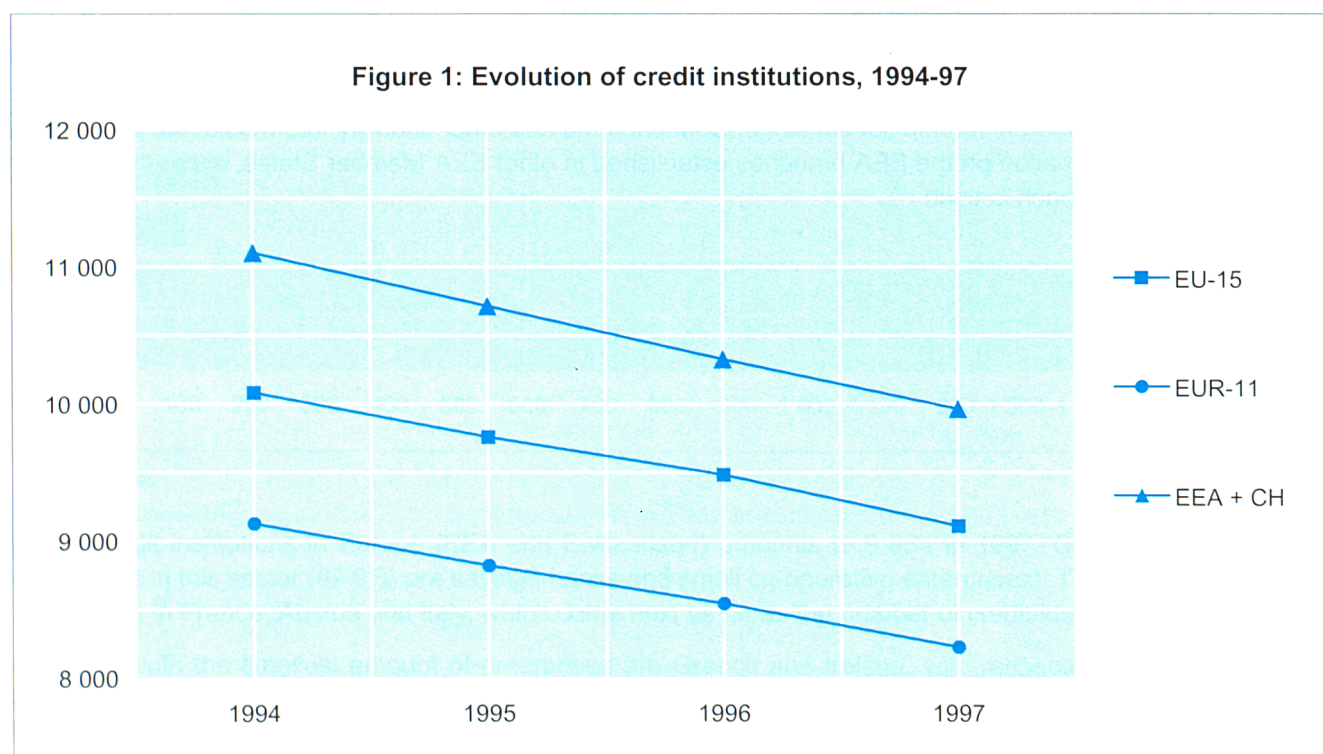
The total number of credit institutions has been declining steadily during this period.

Several reasons can explain this phenomenon. These last years, like in other sectors, the banking industry has experienced waves of mergers and acquisitions, which has resulted in bigger credit institutions. The market, where companies have to be more competitive, becomes more concentrated. The first step of consolidation has mainly affected small and medium size local and regional enterprises, creating some national champions. Nordic markets have consolidated following banking crises in the early 1990's. The second wave of mergers is bringing cross-border mergers between major players in Europe.

The anticipation of the implementation of the Euro can also explain these mergers. The European enterprises search partners to reach critical mass and to remain competitive on a market of nearly 300 million people that has become more open and integrated by an economic and monetary union.

On the other hand, in 1997, the Asian crisis has also had an impact on the financial markets and credit institutions in Europe, which have been net lenders to Asian economies and enterprises operating there.

Figure 1 shows the evolution of the total number of credit institutions in the EEA Member States and Switzerland for the years 1994 to 1997.



Source: Eurostat.

In 1997, the total number of credit institutions reaches 9 109 in EU-15 and 8 225 in EUR-11. Since 1994, it has decreased by 9.6 % in EU-15. If we consider EUR-11, the decline reaches 9.9 %.

In the majority of cases, the number of enterprises has decreased. Belgium, France, Germany, Italy, Portugal, Spain, Sweden, Austria, the UK and Switzerland all show reductions. The highest relative drop was recorded in France (-22.2 %).

Denmark, Finland, Luxembourg and the Netherlands show slightly smaller declines. On the contrary, Ireland and Norway register significant increases. For instance, in Ireland, the number of credit institutions has risen by 35.9 % during the period.

The number in Greece has remained constant.

Scope of the data

The number of credit institutions refers to enterprises as defined in the European Directive 77/780/EEC and in national law (enterprises registered, authorised and supervised as credit institutions in the reporting Member State). This concerns mostly enterprises classified within NACE Rev. 1 class 65.12, which are enterprises active in other monetary intermediation. They are largely deposit taking and credit granting institutions, i.e. licensed banks.

In some countries, banks have the sole right for deposit taking, whilst other credit institutions are those enterprises that finance their activities through alternative repayable funds from the public and grant credit for their own account.

Enterprises included in NACE classes 65.21 to 65.23 are also covered by statistics. This is due to a different implementation of the EU Directives in the various national law systems. NACE class 65.21 and NACE class 65.22 refer respectively to financial leasing activities and to other credit granting activities. NACE class 65.23 (other financial intermediation n.e.c.) may include credit institutions in addition to UCITS (undertakings for collective investment in transferable securities), investment firms and other financial intermediaries. Concerning the treatment of information on the EEA branches established in other EEA Member States, either the home or the host country approach is used ⁽²⁾.

(2) The approach recommended for data compilation is that of the 'Home Country Approach'. It means that the home country authority reports the entire banking business of resident credit institutions authorised in the reporting Member State, including the business carried out by their branches operating abroad. The home country authority reports the data relating to branches of banks from non-EEA countries. Because the branches of credit institutions with head offices in other EEA countries are already included in the data reported by their home country authorities, the data on these branches should be excluded from the data provided by the host country authority of those branches.

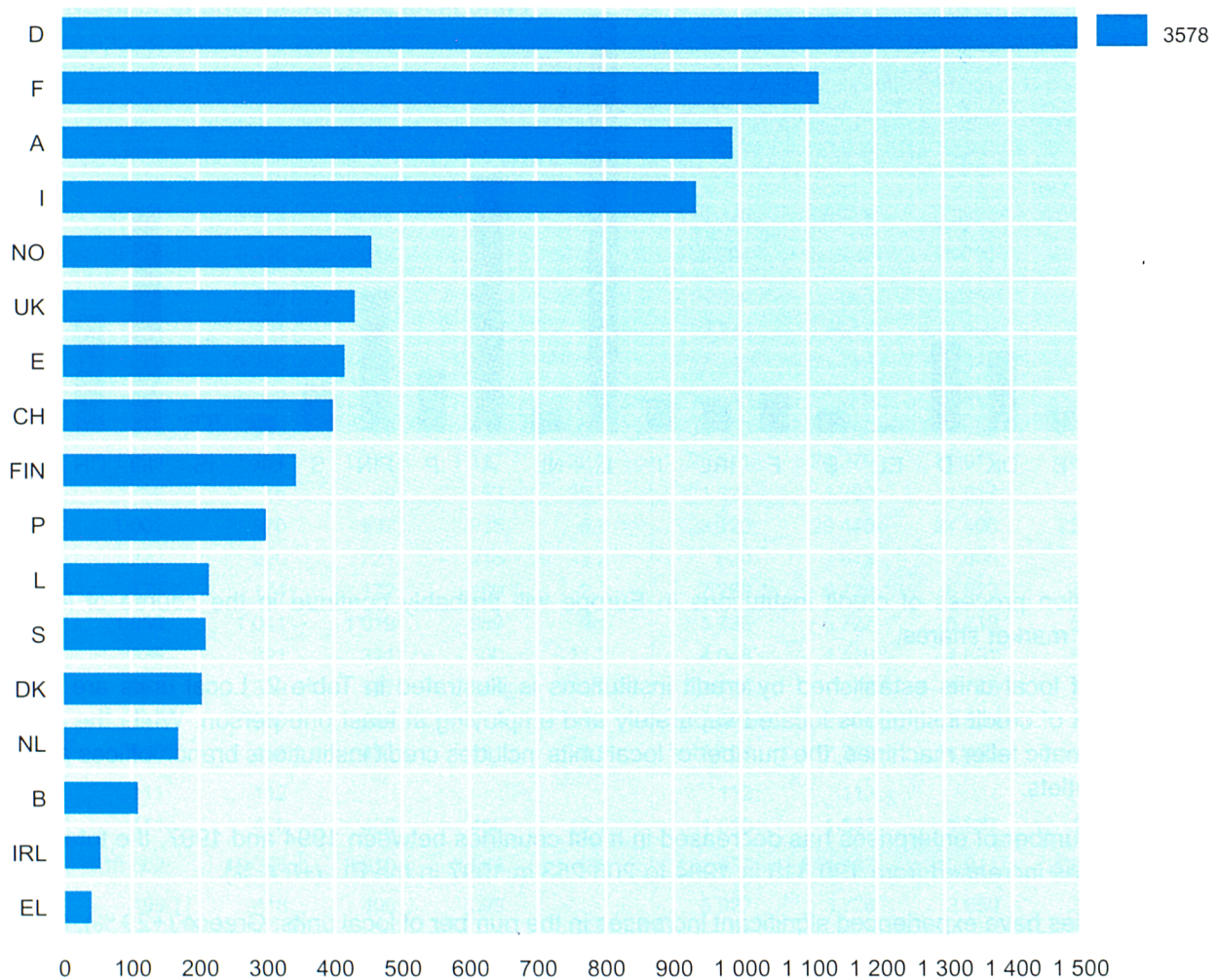
In contrast, the host country principle records the branches of credit institutions of other EEA countries. In this case, reporting by the national authority should exclude the results of branches established in other EEA countries by domestic credit institutions.

Around half of the contributing countries use the home country approach. The list of such countries is to be found in the methodological notes. Sweden and UK combine both approaches.

The Single licensing principle implies that a credit institution with permission to operate in one Member State is automatically allowed to provide the same services in any other Member State. The services abroad via branches or FPS (Freedom of providing services) are therefore registered in the Member State where the original authorisation was granted. Data should therefore cover resident credit institutions including their businesses abroad (in other EEA countries as well as in third countries) and branches of banks belonging to non-EEA countries.

Structure of the markets

Figure 2: Number of credit institutions, 1997



Source: Eurostat.

Active credit institutions in Europe (EEA and Switzerland) amounts to 9 964 in 1997. Germany counts 3 578 enterprises in this sector (87.9 % are savings banks and small co-operative enterprises). This is over three times higher than in France, Austria and Italy, which come next as far as the number of credit institutions is concerned.

Countries with the smallest amount of enterprises are Greece and Ireland, with respectively 39 and 53 credit institutions. These figures can be compared to the population in each country. There are almost 24 credit institutions for 1 000 000 inhabitants in EU-15. In comparison, the figures are 36 for the USA, and 1.1 for Japan. The banking industry is more fragmented in the USA and in Europe than in Japan ⁽³⁾.

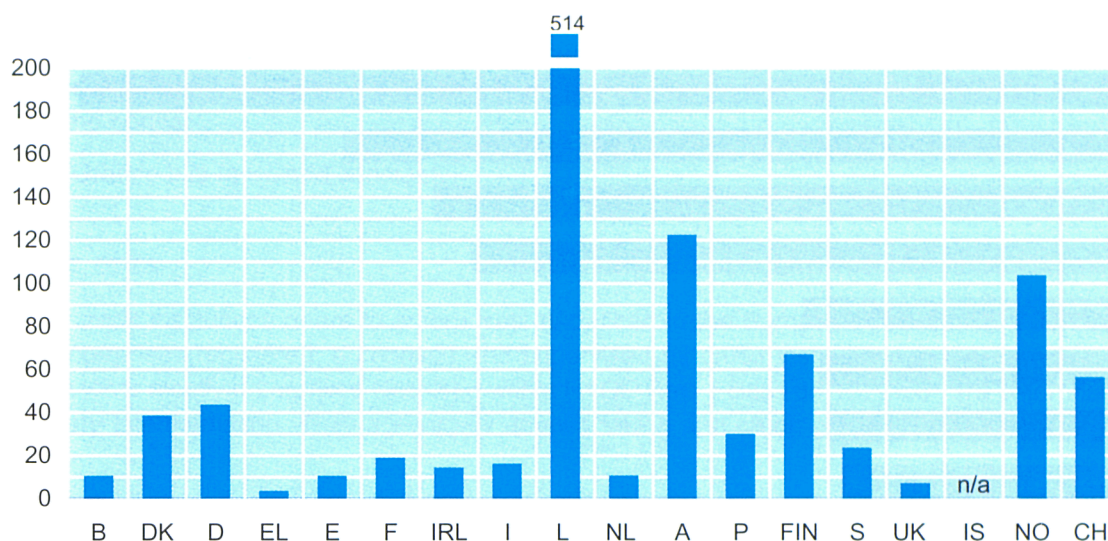
Luxembourg is the European country where the number of credit institutions per 1 000 000 inhabitants is the highest (514), but this proportion is due to Luxembourg's importance as an international financial place and the low population (<1 000 000 inhabitants).

Then come Austria (123), Norway (104), Finland (67), Switzerland (56), Germany (44), Denmark (39), Portugal (30) and Sweden (24). In the other countries, the proportion is below 20, revealing more concentrated markets.

Greece counts less than four credit institutions for 1 000 000 inhabitants.

⁽³⁾ In fact, there were only 10 large commercial banks in Japan in 1996 according to the OECD statistics.

Figure 3: Credit institutions per 1 000 000 population, 1997



Source: Eurostat.

The consolidation process of credit institutions in Europe will probably continue in the course of increased competition for market shares.

The number of local units established by credit institutions is illustrated in Table 2. Local units are normally defined as part of credit institutions located separately and employing at least one person. While the definition excludes automatic teller machines, the number of local units includes credit institutions branch offices and other comparable outlets.

Although the number of enterprises has decreased in most countries between 1994 and 1997, the total number of local units has increased from 190 315 in 1994 to 206 253 in 1997 in the EU (+8.4 %).

Several countries have experienced significant increases in the number of local units: Greece (+29 %), Germany (+27 %), Portugal (+25 %) and Norway (+20 %), while Ireland (-29 %), Finland (-24 %), the UK (-12 %), Switzerland (-12 %) and Luxembourg (-10.5 %) show notable decreases.

Although the figures have to be analysed cautiously, it is possible to say that a negative relationship exists between the variation in the number of enterprises and the number of local units in Europe. The decrease in the number of enterprises is partly due to the mergers. The firms, which remain on the market, have extended their distribution networks. This link appears in six European countries: Germany, Spain, Greece, France, Italy and Portugal.

In contrast, the number of local units and the number of credit institutions have dropped in the following countries: Austria, Belgium, Denmark, Luxembourg, Netherlands, Finland, Sweden and the UK. The number of local units has decreased more than the number of enterprises in Luxembourg, in Finland, in the UK and in Denmark.

In Ireland, the number of credit institutions has grown whereas that of local units has gone down.

Finally, in Norway, the number of enterprises has risen less than the number of local units during the period 1994-1997.

Thanks to technological innovations, credit institutions can offer on-line services, telephone banking and automated payment systems. These new products available for the consumers could explain the fluctuations in the number of local units in some countries. But neither the development of banking technology nor the increasing number of mergers and acquisitions in the banking industry has yet replaced traditional local units as distribution outlets, which remain an accessible point of contact between producer and consumer.

There are important differences in the average number of persons employed in each local unit: from only 7 in Spain to 34 in Luxembourg and in Ireland.

Table 2: Number of enterprises and local units

	Enterprises					Local units				
	1994	1995	1996	1997	Growth 94-97 (%)	1994	1995	1996	1997	Growth 94-97 (%)
EU-15	10 080	9 758	9 483	9 109	-9.6	190 315	209 431	208 974	206 253	8.4
EUR-11	9 125	8 818	8 542	8 225	-9.9	165 604	185 432	185 793	183 449	10.8
B	122 *	120	116	109	-10.7	6 689 *	6 543	6 424	6 284 ¹	-6.1
DK	208	204	203	204	-1.9	2 245	2 215	2 203	2 178	-3.0
D	3 872	3 785	3 675	3 578	-7.6	52 593	71 715	70 338	66 764	26.9
EL	39	39	41	39	0.0	1 610	1 900	1 985	2 075	28.9
E	510	506	458	416	-18.4	36 165	36 790	37 485	38 039	5.2
F	1 436	1 284	1 237	1 117	-22.2	25 841	26 279	26 017	26 065	0.9
IRL	39	48	49	53	35.9	1 327	1 300	1 517	943	-28.9
I	1 002	970	937	935	-6.7	23 120	23 440	24 406	25 245	9.2
L	222	220	221	215	-3.2	630	611	605	564 ²	-10.5
NL ³	173	174	172	169	-2.3	7 269 *	6 729 *	6 822 *	7 161 *	-1.5
A	1 053	1 041	1 019	989	-6.1	5 736	5 727	5 713	5 680	-1.0
P	338	321	311	300	-11.2	4 046	4 420	4 691	5 044	24.7
FIN ⁴	358	349	347	344	-3.9	2 188	1 878 ⁵	1 775 ⁵	1 660 ⁵	-24.1
S ⁶	238	239	246	210	-11.8	2 690	2 601	2 530	2 522	-6.2
UK ⁷	470	458	451	431	-8.3	18 166	17 283	16 463	16 029	-11.8
IS	111	112	:	:	:	112	113	:	:	:
NO	411	426	436	456	10.9	1 610	1 593	1 937	1 927	19.7
EEA ⁸	10 602	10 296	9 919	9 565	-9.8	192 037	211 137	210 911	208 180	8.4
CH ⁹	499 ] [	418	408	399	:	3 927	3 776	3 650	3 444	-12.3

1) Provisional.

2) Number of agencies in Luxembourg, open to the public.

3) Enterprises: concerns enterprise groups.

4) 'Other monetary intermediation' institutions only.

5) Including representative offices abroad.

6) Local units only refer to licensed banks.

7) Host Basis (excluding EEA branches operating in the UK).

8) For 1996 and 1997 excluding Iceland.

9) 1994: include 71 Banklike Finance Companies, a legal status that was abolished at the end of 1994.

Source: Eurostat.

Credit institutions by legal status, NACE classes and categories

With regard to the breakdown of credit institutions by legal status, the following forms can be found in most Member States: incorporated enterprises limited by shares, co-operative enterprises and savings banks as well as branches of enterprises of non-EEA countries and others, such as mortgage banks, post banks, specialised credit institutions, etc. The definition of each status appears in the glossary.

Almost 50 % of European credit institutions are co-operative enterprises. In Austria, Finland, Germany, Italy and Portugal, the co-operative enterprise is the most common legal status; their high number, however, does not reflect their economic weight. As a matter of fact, co-operatives are often smaller enterprises with only local or regional business and do not therefore contribute much to the consolidated balance sheet total of the banking industry.

Table 3: Number of enterprises broken down by legal status, 1997

	Total	Incorporated enterprises limited by shares	Cooperative enterprises	Savings banks	Branches of non-EEA enterprises	Others
EU-15	9 136	2 610 ¹	4 574 ¹	997 ¹	394 ¹	508 ¹
EUR-11	8 252	2 200 ¹	4 541 ¹	804 ¹	236 ¹	418 ¹
B	109	70	23	1	15	0
DK	204	72	26	106	0	0
D	3 400	188	2 389	598	30	195
EL	39	23	7	0	9	0
E	416	213	97	51	54	1
F ²	1 299	916	165	31	96	91
IRL	53	:	:	:	:	:
I	935	260	654	0	17	4
L	215	145 ³	2	0	7	61 ⁴
NL	169	127	2	26	12	2
A	989	142	749	51	2	45
P	300	109	165	6	2	18 ⁴
FIN	367	30	295	40	1	1
S	210	103	0	87	0	20
UK ⁵	431	212	0	0	149	70
IS ⁶	112	:	:	:	:	:
NO	456	71	0	133	0	252
EEA	9 704	2 681 ⁷	4 574 ⁷	1 130 ⁷	394 ⁷	760 ⁷
CH	399	285	39	0 ⁸	18	57

1) Excluding Ireland.

2) The scope of this data covers all establishments authorised by the Supervision Unit and are therefore superior to the ones based on regular transmission.

3) 145 incorporated enterprises of which 2 establishments of Luxembourgish public status.

4) Branches of EEA credit institutions.

5) Host Basis (excluding EEA branches operating in the UK).

6) 1995 data.

7) Excluding Ireland and Iceland.

8) Saving Bank is not a legal status in Switzerland. Most banks are collecting savings deposits from their customers. Legally saving banks can be incorporated enterprises limited by shares, cooperative enterprises etc.

Source: Eurostat.

The majority of the other enterprises are incorporated enterprises limited by shares. This group accounts for the major share of balance sheet total in the industry. These enterprises are normally commercial banks involved in universal banking. They offer all or most of the products and services that credit institutions are allowed to provide (e.g. acceptance of deposits and other repayable funds, lending, financial leasing, portfolio management and advice) ⁽⁴⁾.

In Belgium, 64.2 % of credit institutions have this status. The figures are of 59 % in Greece, 67.4 % in Luxembourg, 70.5 % in France, 71.4 % in Switzerland and 75.1 % in the Netherlands.

Savings banks make up only 10 % of the European banking industry. 52 % of credit institutions in Denmark are savings banks, while in Norway 55.3 % of them belong to the category 'others'.

As for branches of non-EEA enterprises, their number is small (394) compared to other forms of credit institutions.

Table 4: Number of enterprises broken down by NACE Rev.1 classes, 1997

	Total credit institutions	Other monetary intermediation (65.12)	Financial leasing (65.21)	Other credit granting (65.22)	Other financial intermediation n.e.c. (65.23)
EU-15 ¹	9 109	7 662	29	967	206
EUR-11 ¹	8 225	6 864	29	881	206
B	109	109	0	0	0
DK	204	204	0	0	0
D	3 578	3 442	0	0	136
EL	39	39	0	0	0
E	416	307	0	109	0
F	1 117	417	0	671	29
IRL	53	:	:	:	:
I	935	935	0	0	0
L	215	:	:	:	:
NL	169	169	0	0	0
A	989	909	0	39	41
P	300	232	29	39	0
FIN ²	344	344	0	23	0
S ³	210	124	0	86	0
UK ⁴	431	431	:	:	:
IS ⁵	112	112	0	0	0
NO	456	154	0	63	239
EEA ¹	9 677	7 928	29	1 030	445
CH	399	395	:	4	:

1) For available data only.

2) 'Other monetary intermediation' institutions only.

3) Including 17 branches of enterprises from EEA and Switzerland.

4) Host Basis (excluding EEA branches operating in the UK).

5) 1995 data.

Source: Eurostat.

⁽⁴⁾ A list of services and products provided by the enterprises is available in the Methodological Notes.

As table 4 shows, credit institutions are in most Member States classified with other monetary intermediation; Portugal however classifies 29 financial leasing companies within 65.21. There is also an important number of enterprises classified within NACE classes 65.22 and 65.23 which may contain enterprises such as specialised lending institutions, financial holding companies, mortgage banks or even unit trusts, etc. EU countries, which classify part of their credit institutions in NACE classes other than 65.12, are: Germany, Spain, France, Austria, Portugal, Finland and Sweden.

The total number of credit institutions, broken down by category in 1997, shows that most enterprises on the market are licensed banks (almost 80 %).

Nevertheless, the number of specialised credit-granting institutions in Germany and Spain reaches respectively 87 and 108.

Table 5: Number of enterprises broken down by category of credit institutions, 1997

	Total	Licensed banks	Financial leasing companies	Specialised credit granting institutions	Other credit institutions	Other financial intermediaries
EU-15 ¹	9 089	7 578	29	229	136	0
EUR-11 ¹	8 205	6 788	29	195	76	0
B	109	109	0	0	0	0
DK	204	196	0	8	0	0
D	3 535	3 448	0	87	0	0
EL	39	39	0	0	0	0
E	416	307	0	108	1	0
F	1 117	:	:	:	:	:
IRL	53	44	0	0	9	0
I	935	931	0	0	4	0
L	215	215	0	0	0	0
NL	169	169	0	0	0	0
A	989	989	0	0	0	0
P	300	232	29	0	39	0
FIN	367	344	0	0	23	0
S	210	124 ²	0	26	60	0
UK	431	431	:	:	:	:
IS ³	112	:	:	:	:	:
NO	456	154	0	63 ⁴	: ⁵	239
EEA ¹	9 657	7 732	29	292	136	239
CH	399	399	:	:	:	:

1) For available data only.

2) Including 17 branches of enterprises from EEA and Switzerland.

3) 1995 data.

4) Including mortgage companies, finance companies and state lending.

5) Unit trust which are to be considered as credit institutions are included in 'Other financial intermediation'.

Source: Eurostat.

Tables 4 and 5 should be largely identical; some discrepancies however exist, as it is the case for Sweden, since only 26 out of the 86 enterprises classified within 65.22 are really specialised credit granting institutions, while the remaining 60 are other credit institutions.

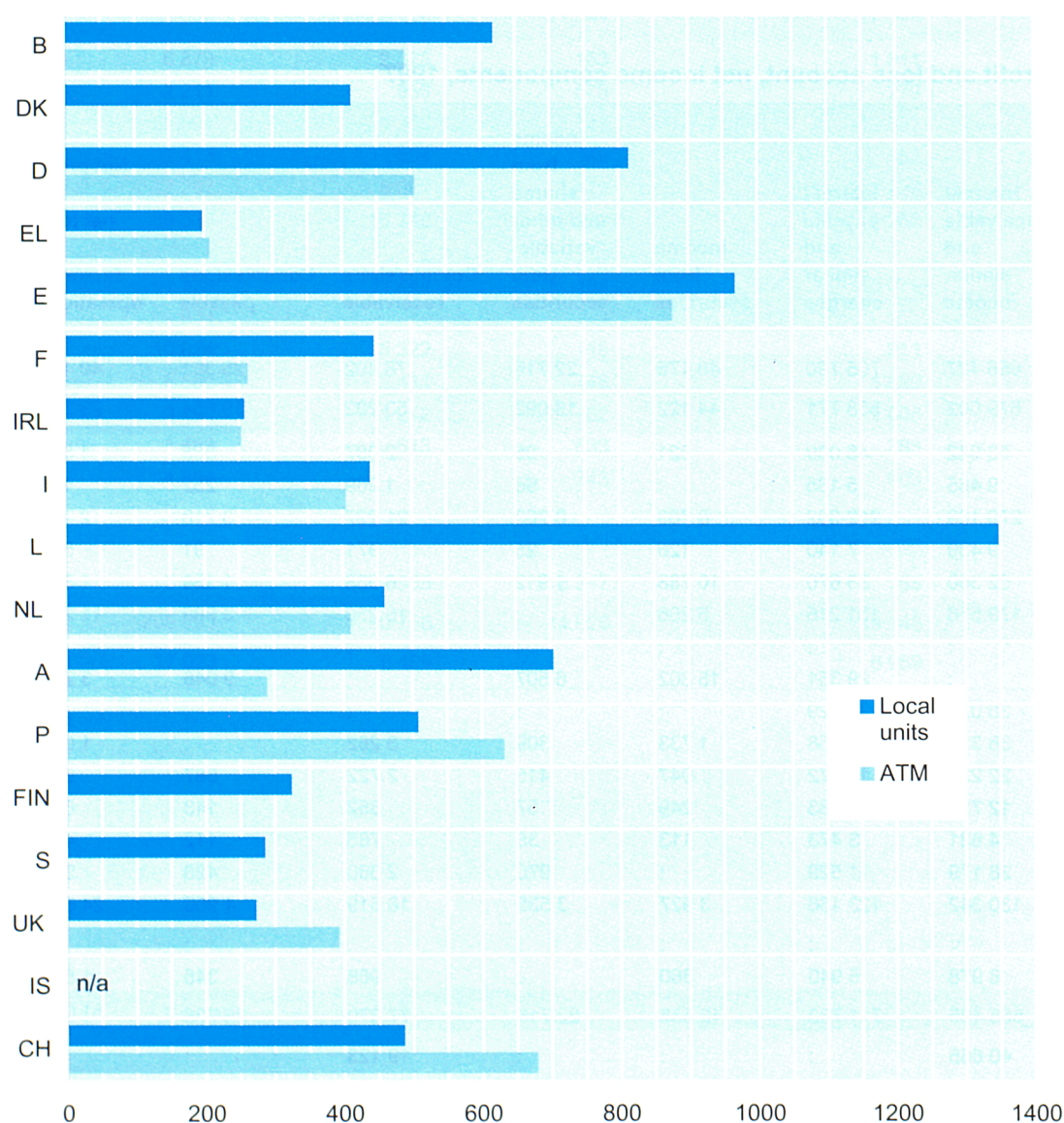
Local units and automatic teller machines

Data on the number of local units show big discrepancies among European countries, the average number of local units per enterprise ranging from less than 3 in Luxembourg to 91 in Spain.

In most cases, the number of local units per enterprise has risen between 1994 and 1997, this increase ranging from 0.8 % in the Netherlands to almost 40 % in Portugal.

Denmark, Finland, Ireland, Luxembourg, and the UK all show reductions.

Figure 4: Automatic teller machines and Local units per 1 000 000 population, 1997



Source: Eurostat.

It appears that in 1997 in Greece, Ireland, Italy and the Netherlands, there are almost as many local units as automatic teller machines (ATM) per 1 000 000 inhabitants. The number of ATM's per inhabitant is higher than that of local units per inhabitant in Portugal, the UK and Switzerland, while in the rest of countries, local units largely outnumber ATM's, with regard to the number of inhabitants.

2.3 Performance and Competitiveness

The comparison of the main financial indicators shows quite a lot of differences between credit institutions within the European markets. Differences in the indicators are not only due to more or less successful results in the conduct of business in the different Member States, but also to different traditions in the banking activities.

Profit and loss account

Profitability in the banking industry can be assessed with several indicators. The following ratios are briefly analysed in this section: return on equity; return on assets; net interest income on balance sheet total; income on cost ratio.

Table 6.1: Profit and loss account, net income components, 1997

(Mio ECU)

	Interest receivable and similar income	Interest payable and similar charges	Income from securities	Income from shares and other variable- yield securities	Commissions receivable	Commissions payable	Net profit or net loss on financial operations	Other operating income
EU-15 ¹	856 427	705 790	48 175	22 716	76 402	25 381	49 470	25 553
EUR-11 ¹	679 002	558 771	44 122	18 092	53 282	19 654	23 348	20 963
B	53 942	46 039	521	95	2 097	985	1 837	674
DK	9 465	5 185	:	95	1 269	252	496	133
D	279 166	212 382	8 763	8 763	21 227	3 718	2 702	5 521
EL	9 439	7 140	126	25	971	91	598	246
E	52 360	33 670	10 788	1 912	6 088	1 154	1 641	257
F	179 576	151 215	5 206	:	16 250	3 909	11 221	8 010
IRL	:	:	:	:	:	:	:	:
I	:	29 351	15 802	6 507	:	9 046	3 255	3 782
L	36 021	30 629	:	:	:	:	:	:
NL	38 339	27 658	1 733	309	3 262	:	1 003	769
A	22 232	15 772	947	415	2 722	587	613	1 168
P	12 735	8 583	249	57	852	143	674	477
FIN	4 631	3 473	113	35	785	112	403	305
S	28 179	11 529	:	970	2 360	428	361	641
UK ²	130 342	123 166	3 927	3 535	18 519	4 956	24 667	3 569
IS	:	:	:	:	:	:	:	:
NO	8 978	5 940	360	:	968	345	1 571	3 839
EEA ¹	865 405	711 730	48 535	22 716	77 370	25 726	51 041	29 392
CH	40 665	:	:	:	19 123	:	:	:

1) For available data only.

2) Host Basis (excluding EEA branches operating in the UK).

Source: Eurostat.

Table 6.2: Profit and loss account, cost items, 1997

(Mio ECU)

	General administrative expenses	Other administrative expenses	Other operating charges	Value adjustments and value readjustments in respect of loans and advances and provisions for contingent liabilities and for commitments	Other value adjustments and value readjustments
EU-15 ¹	203 410	89 830	12 609	19 083	7 012
EUR-11 ¹	193 892	88 180	11 544	17 348	5 865
B	6 879	2 323	163	1 611	666
DK	2 211	956	573	279	400
D	56 591	21 255	3 443	-12 552	837
EL	2 413	694	149	553	190
E	17 397	6 861	179	1 728	1 757
F	39 533	16 740	6 122	9 362	1 847
IRL	:	:	:	:	:
I	51 339	31 444	157	15 079	308
L	914	:	:	:	:
NL	10 024	5 322	18	911	903
A	6 560	2 411	748	1 829	-181
P	3 191	1 212	82	-1 006	-463
FIN	1 463	613	633	388	191
S	4 894	:	343	903	557
UK	:	:	:	:	:
IS	:	:	:	:	:
NO	2 282	935	2 317	65	177
EEA ¹	205 693	90 765	14 926	19 148	7 189
CH	17 023	6 499	:	6 959	:

1) For available data only.

Source: Eurostat.

Table 6.3: Profit and loss account, profit and tax items, 1997

(Mio ECU)

	Profit or loss on ordinary activities	Extraordinary profit or loss	All taxes (tax on profit or loss on ordinary activities, tax on extraordinary profit or loss, other taxes)	Profit or loss for the financial year
EU-15 ¹	41 827	865	25 338	55 874
EUR-11 ¹	34 965	1 035	23 949	35 991
B	2 728	522	1 258	1 992
DK	2 949	-99	493	2 357
D	:	-1 823	11 505	10 909
EL	844	21	247	617
E	7 769	1 396	1 610	6 158
F	9 933	-598	2 871	6 463
IRL	:	:	:	:
I	4 526	243	3 778	596
L	:	:	898	1 773
NL	5 593	12	1 113	4 490
A	1 812	-167	373	1 272
P	1 518	228	375	1 371
FIN	1 088	1 222	167	966
S	3 069	-92	649	1 618
UK ²	:	:	:	15 291
IS	:	:	:	:
NO	3 049	9	256	2 798
EEA ¹	44 877	874	25 594	58 672
CH	4 710	:	815	:

1) For available data only.

2) Host Basis (excluding EEA branches operating in the UK).

Source: Eurostat.

The return on equity (ROE) and the return on assets (ROA) are used as the main indicators of profitability in this publication.

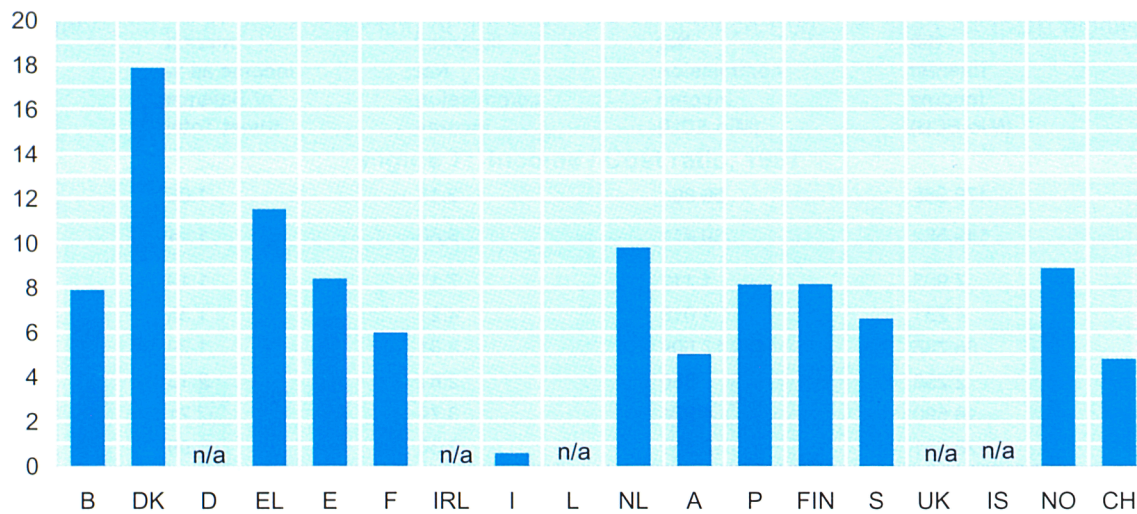
The return on equity is calculated as profit or loss on ordinary activities minus all taxes, divided by the total capital and reserves, while the return on assets is calculated as profit or loss on ordinary activities minus all taxes, divided by the balance sheet total. As comparable data for the previous year were not available, the year end (1997) figures of the balance sheet total were used instead of an annual average.

Besides, most of the time, derivative products are not integrated in the balance sheet (off-balance sheet products). But, obviously, they have an effect on the profit and loss account.

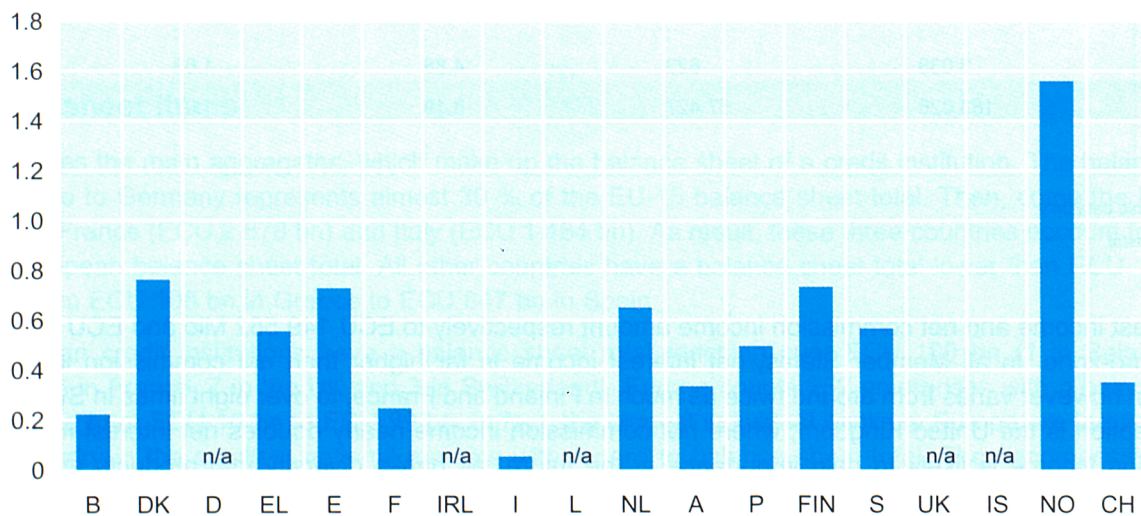
Both return on equity and return on assets have been positive in all Member States in 1997. Return on equity ratio display significant differences in Europe, ranging from 5 % in Austria to 11.5 % in Greece. The lowest return on equity was registered in Italy with 0.6 % and the highest, in Denmark, with 17.85 %.

The average return on assets is again lowest in Italy, with 0.05 % and highest in Denmark, with 0.8 %.

Norwegian figures have to be handled carefully (see Methodological notes).

Figure 5: Return on equity (%), 1997

Source: Eurostat.

Figure 6: Return on assets (%), 1997

Source: Eurostat.

The ratio of net interest income on the balance sheet total can also be used as a measure of profitability in credit institutions. The ratio reflects the profitability of traditional banking business based on credit granting and deposit taking. Low figures may indicate keen competition in lending and funding as well as focus on fee-based business instead of interest income, whereas high figures can be explained by large interest margins, low funding costs or reduced balance sheets. The picture of European countries is mostly harmonised with ratios ranging from 0.92 % in Finland up to 2.2 % in Spain. The credit institutions in the United Kingdom show however a ratio of 0.25 %, while this ratio is of 3.9 % in Sweden. In comparison, net commission income on the balance sheet total ranges from 0.2 % in Belgium to 0.8 % in Greece. The ratio is likely to improve in the future if banks increasingly start to provide off-balance sheet products and services generating fee income.

Table 7: Financial indicators of credit institutions, 1997

	Net interest income (Mio ECU)	Net commission income (Mio ECU)	Net interest income / Net commission income	Net interest income as % of Balance Sheet Total	Net commission income as % of Balance Sheet Total
EU-15 ¹	179 988	56 804	3.17	1.06	0.34
EUR-11 ¹	149 582	39 411	3.80	1.14	0.30
B	7 903	1 112	7.11	1.19	0.17
DK	4 281	1 018	4.21	1.33	0.32
D	66 785	17 509	3.81	1.29	0.34
EL	2 299	880	2.61	2.13	0.82
E	18 690	4 934	3.79	2.21	0.58
F	28 361	12 341	2.30	0.99	0.43
IRL	:	:	:	:	:
I	:	:	:	:	:
L	5 392	:	:	1.05	:
NL	10 681	:	:	1.55	:
A	6 460	2 135	3.03	1.50	0.49
P	4 152	708	5.86	1.80	0.31
FIN	1 158	672	1.72	0.92	0.54
S	16 650	1 932	8.62	3.89	0.45
UK	7 176	13 563	0.53	0.25	0.46
IS	:	:	:	:	:
NO	3 038	623	4.88	1.69	0.35
EEA ¹	183 026	57 427	3.19	1.07	0.34
CH	:	:	:	:	:

1) For available data only.

Source: Eurostat.

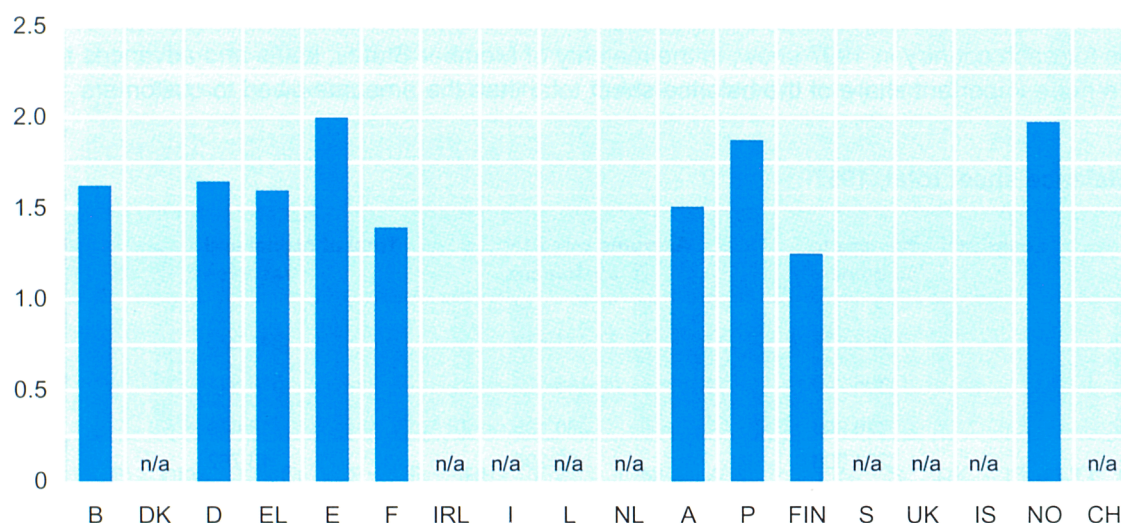
Net interest income and net commission income amount respectively to ECU 149 582 Mio and ECU 39 411 Mio in the Euro-zone. In all Member States, net interest income is far higher than net commission income; the proportion however varies from around twice as much in Finland and France, to over eight times in Sweden. The only exception is the United Kingdom, where net commission income nearly doubles net interest income. Net commission income is likely to gain importance in the future, as banks diversify into products and services generating fee and commission income on the one hand, and if interest income from credit granting by credit institutions decreases as a result of keener competition in the traditional banking business on the other hand.

The income/cost ratio ⁽⁵⁾, wherever data could be calculated, ranges from 1.3 in Finland to 2 in Spain, leaving to countries like Spain more leeway to cover heavier expenses.

⁽⁵⁾ Calculated as *operating income / operating expenses*. *Operating income* is composed of net interest income + income from securities + commissions receivable + net profit on financial operations + other operating income and *operating expenses* of commissions payable + general administrative expenses + other operating charges, excluding value adjustments.

The mergers and acquisitions activities in the sector, although aiming at creating synergy in the medium or long term, will nonetheless be at first a source of additional operating expenses. Efforts are made in all Member States to reduce costs, but the changes in the structure of credit institutions and their businesses is currently leading to supplementary costs (i.e. the introduction of the Euro, the Millennium Bug, the need for more highly qualified staff, etc.).

Figure 7: Income / Cost ratio, 1997



Source: Eurostat.

Balance sheet items

Table 8 gives the main aggregates, which make up the balance sheet of a credit institution. The balance sheet total relative to Germany represents almost 30 % of the EU-15 balance sheet total. Then, come the UK (ECU 2 922 bn), France (ECU 2 878 bn) and Italy (ECU 1 464 bn). As result, these three countries account for 42.9 % of the European balance sheet total. All other countries have a balance sheet total lower than ECU 1 000 bn, ranging from ECU 108 bn in Greece to ECU 847 bn in Spain.

25 European credit institutions have a balance sheet total reaching over ECU 100 bn (1 in Belgium, 8 in Germany, 6 in France, 7 in the UK and 3 in Switzerland). Europe counts 252 enterprises with a balance sheet total ranging from ECU 10 bn to ECU 99 bn. In fact, the biggest individual banks in Europe are larger than the whole industry in the smallest national markets with regard to balance sheet total. The decomposition of the balance sheet shows amounts owed to customers plus total of capital and reserves represent almost 50 % of the European balance sheet total. The European loans and advances to customers are of ECU 7 883 bn. 60 % of Member States have loans and advances to customers higher than amounts owed to customers, which amount to ECU 7 412 bn in EU-15.

The European banking industry records a total of capital and reserves on balance sheet total of almost 5.6 %. For this ratio too, there are big discrepancies across Europe. If the UK and Italy record a ratio amounting to 9.1 %, on the contrary, the figures relative to Germany and France are respectively 3.2 % and to 4.1 %. Although this ratio does not correspond to the risk-based capital adequacy ratio used by banking regulators, it provides an indication of solvency levels in these countries. It is below 10 % in all the European countries, except Norway, for which data relative to the balance sheet total must be analysed carefully. In most of them, it is situated between 6 % and 9 %.

Data on loans and advances to customers and amounts owed to customers are relevant to create two other ratios presented in figure 8.

The first ratio is obtained by dividing loans and advances to customers by the balance sheet total, and the second one is the share of amounts owed to customers on the balance sheet total.

Concerning the first indicator, the share ranges from 19 % in Luxembourg to 63.3 % in Denmark. Then come Netherlands (59.7 %), Sweden (56.7 %) and Austria (51.1 %). Across Europe, average ratio amounts to 47.4 %.

The amounts owed to customers divided by the balance sheet total gives a ratio, which could indicate the debt level of credit institutions. Although in Greece, credit institutions have a credit granting activity lower than in other Member States, the ratio amounts owed to customers on balance sheet total is of almost 74 %. On the contrary, the lowest figure is observed in Sweden (26.5 %).

The figures for each country in 1997 show, in the majority of Member States, loans and advances to customers represent a more important share of the balance sheet total than the amounts owed to customers.

Table 8: Balance sheet total, 1997*(Mio ECU)*

	Loans and advances to customers	Amounts owed to customers	Total of capital and reserves	Balance sheet total
EU-15 ¹	7 883 117	7 411 679	941 225	16 933 368
EUR-11 ¹	5 998 789	5 149 457	619 941	13 153 272
B	226 869	260 135	18 679	664 188
DK	204 308	85 298	13 762	322 562
D	2 628 828	2 076 684	166 871	5 173 956
EL	37 863	80 178	5 179	107 811
E	413 659	453 673	73 401	847 346
F	1 098 435	909 125	118 091	2 878 482
IRL	66 577	63 684	9 980	134 112
I	678 302	546 200	133 236	1 463 624
L	96 312	193 260	:	514 108
NL	411 420	336 389	45 713	689 617
A	220 606	130 363	28 649	431 570
P	96 154	122 994	14 042	230 774
FIN	61 627	56 951	11 280	125 495
S	242 600	113 224	36 648	427 645
UK ²	1 399 557	1 983 522	265 695	2 922 078
IS	:	:	:	:
NO ³	236 935	88 914	31 503	179 398
EEA ¹	8 120 052	7 500 593	972 728	17 112 766
CH	511 642	489 738	81 377	1 113 085

1) For available data only.

2) Host Basis (excluding EEA branches operating in the UK).

3) Norwegian data have to be handled carefully.

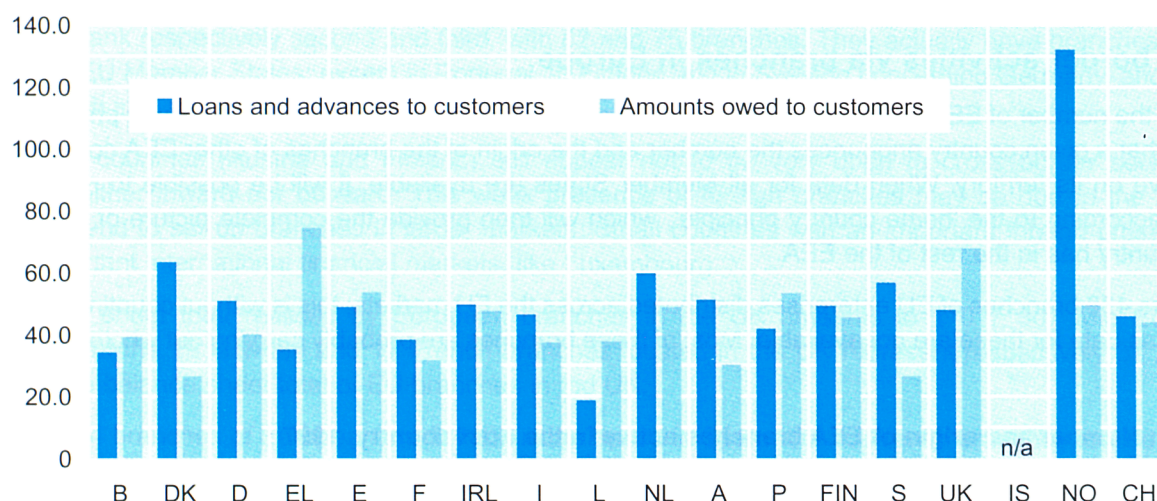
Source: Eurostat.

Figure 9 illustrates the ratio of loans and advances to customers in relation to amounts owed to customers in each European country.

Banks are in the business of maturity transformation. They transform short-term deposits into long term loans to finance real investments. The degree of this maturity transformation can be described with loans to deposits ratio. Whilst the contractual maturity of deposits may be short, in reality a large share of deposits are held on bank accounts for long. This ratio appears as an indication of maturity transformation.

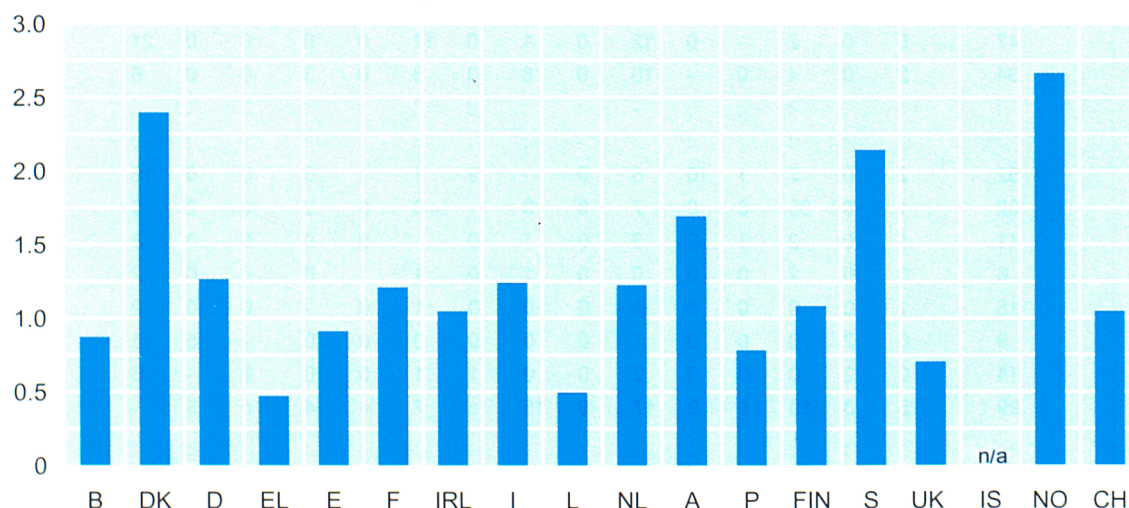
Among the 40 % of Member States which have amounts owed to customers higher than loans and advances to customers, are Belgium, Greece, Luxembourg, Portugal, Spain and the UK. In Greece and Luxembourg, credit institutions have mainly a deposit activity. On the contrary, the Scandinavian countries realise their business with loans. For the others, the ratio varies from 1 in Ireland to 1.7 in Austria.

Figure 8: Share of loans and advances to customers and amounts owed to customers on Balance sheet total in %, 1997



Source: Eurostat.

Figure 9: Loans and advances to customers on Amounts owed to customers, 1997



Source: Eurostat.

Value adjustments in relation to loans and advances to customers indicate the level of credit risks. Despite the lack of data, this ratio shows that all European countries register a credit risk less than 1 %, save in Greece and Italy, where it amounts respectively to 1.46 % and to 2.22 %. In other countries, the ratio ranks from 0.03 % in Norway, to 0.83 % in Austria and 0.85 % in France.

2.4 Internationalisation

The degree of internationalisation of the EU banking systems may be seen from two basic perspectives, inward and outward internationalisation. In the European single market, the legal tools and the introduction of the Euro are instruments, which are expected to lead to changes in the structure of the European financial markets. Cross border services are expected to increase in Europe, but not in Europe only: as competition is increasing and enterprises are growing, the latter are likely to look for new markets and opportunities.

Cross border activities via branches in Europe

Data on the number of EEA branches within the EEA are provided according to the 'host country principle', which means that a given country announces the number and the origin of the branches of other EEA countries which are active on its territory. When data for all Member States are available, it will be possible to reproduce the picture according to the 'home country principle', which will then provide the complete picture of the branches each country has in the rest of the EEA.

There are 438 branches of EU enterprises distributed across the EU markets; this is without counting France and Ireland, as data for these are not available. Most of these branches are probably carrying out wholesale banking.

Table 9: Number and origin of EEA branches active in the host country, 1997

home country host country	Total EU-15	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK	IS	NO	CH
EU-15 ¹	438	14	12	83	8	33	82	10	40	12	35	8	9	4	13	75	0	5	14
EUR-11 ²	264	9	7	57	4	23	51	1	24	11	16	4	5	0	8	44	0	1	5
B	25	-	0	6	0	3	8	0	2	0	4	0	0	0	0	2	0	0	0
DK	14	0	-	5	0	1	0	0	0	0	0	0	0	2	2	4	0	2	0
D	47	2	5	-	2	2	10	1	5	2	6	3	0	0	1	8	0	1	0
EL	47	0	0	2	-	0	12	0	1	0	11	0	0	0	0	21	0	0	0
E	34	2	0	4	0	-	10	0	6	0	3	0	3	0	0	6	0	0	2
F	:	:	:	:	:	:	-	:	:	:	:	:	:	:	:	:	:	:	:
IRL	:	:	:	:	:	:	:	-	:	:	:	:	:	:	:	:	:	:	:
I	52	2	0	7	1	10	6	0	-	9	1	1	0	0	0	15	0	0	0
L	62	1	0	36	0	0	7	0	9	-	0	0	2	0	2	5	0	0	2
NL	11	1	0	2	1	0	3	0	1	0	-	0	0	0	0	3	0	0	1
A	6	0	0	2	0	0	0	0	1	0	1	-	0	0	0	2	0	0	0
P	18	1	0	0	0	8	6	0	0	0	1	0	-	0	0	2	0	0	0
FIN	9	0	2	0	0	0	1	0	0	0	0	0	0	-	5	1	0	0	0
S	14	0	2	0	0	0	2	0	0	1	1	0	0	2	-	6	0	2	1
UK	99	5	3	19	4	9	17	9	15	c	7	4	4	c	3	-	0	c	8
IS	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	-	:	:
NO	17	0	2	2	0	0	1	0	0	0	2	0	0	0	8	2	0	-	0
EEA ³	455	14	14	85	8	33	83	10	40	12	37	8	9	4	21	77	0	5	14
CH	12	0	0	0	0	0	3	0	0	1	1	1	1	0	0	5	0	0	-

1) Excluding France and Ireland as well as United Kingdom confidential data.

2) Excluding France and Ireland.

3) Excluding France, Ireland and Iceland as well as United Kingdom confidential data.

Source: Eurostat.

The country which has seen the highest amount of EU branches active on its territory in 1997 is the United Kingdom (99), followed by Luxembourg (62). Branches are often set up in near or border countries. Examples for this would be the 36 German branches out of the 62 active in Luxembourg, or the fact that over 70 % of branches present in Belgium are either German, French or Dutch. However, this does not always apply, as almost half of the branches active in Greece originate in the UK. UK enterprises are in any case active in all Member States as well as in Norway and Switzerland.

Looking at table 9 with the 'home country approach', and despite the fact that French and Irish data are not available, it appears that German enterprises are those with the highest number of branches abroad (83). France and the UK rank respectively second and third, with 82 and 75 branches. They actually have branches in each of the other EU Member States; except in Portugal, in Finland and in Sweden concerning Germany, and France has no branch in Denmark and in Austria.

Two smaller countries (Austria and Finland) still appear not to be very open to cross border services via branches, neither inward nor outward. This weak presence of foreign branches may be due to the fact that enterprises tend to set up branches in larger markets. Small countries with an important foreign presence are usually important international financial markets, like Luxembourg.

The balance sheet total realised by European branches in the UK amounts to 1 017 307 Mio ECU. The percentages of the 19 German and 17 French branches located in the UK represent respectively 37.2 % and 13.5 % of the balance sheet total of EU branches in the UK.

Of the total 34 branches of European credit institutions based in Spain, the 10 French branches realise 45 % of the interest receivable and similar income of all EU branches, while the UK, with 6 branches, represents 16 %.

International cross border activities via branches

European enterprises also set up branches in non-EEA countries, but not mostly in the main financial places like Japan, Switzerland or the USA. Indeed, over 80 % of European branches located outside the EEA are to be found in third countries. Most of these branches originate in the UK (398) and Germany (65), which are dominating financial markets. The large number of UK branches abroad is notably due to UK banks' operations in south east Asia.

Despite the lack of data, table 11 gives a few further indications on the degree of internationalisation of European credit institutions.

European credit institutions have 591 financial subsidiaries in the world. Almost 45 % of these subsidiaries are situated in other third countries and 42 % in EU Member States.

On its territory, Luxembourg counts 80 subsidiaries, which originate from EU-15 countries.

According to figures available, Spain is the European country with the highest number of financial subsidiaries (293), mainly implanted outside the EEA (209), and especially in other third countries (177). The number of financial subsidiaries of Denmark and Finland is the lowest, as it amounts to 6 for each.

These figures show that European credit institutions use subsidiaries to extend their influence in non-EEA countries, while they rather implant branches in the EU.

Table 10: Total number and location of branches in non-EEA countries, 1997

	Total	Switzerland	USA	Japan	In other third countries (rest of the world)
EU-15 ¹	702	9	77	26	590
EUR-11 ¹	249	6	54	19	170
B ²	26	0	4	0	22
DK	6	0	2	0	4
D	92	2	13	12	65
EL	13	0	4	0	9
E	35	0	15	3	17
F	:	:	:	:	:
IRL	:	:	:	:	:
I	50	0	16	3	31
L	10	3	0	0	7
NL	:	:	:	:	:
A	2	0	1	1	0
P	28	1	3	0	24
FIN	6	0	2	0	4
S	13	0	3	1	9
UK	421	3	14	6	398
IS	:	:	:	:	:
NO	6	0	2	0	4
EEA ³	708	9	79	26	594
CH	104	—	12	3	89

1) Excluding France, Ireland and the Netherlands.

2) 1996 data.

3) Excluding France, Ireland, the Netherlands and Iceland.

Source: Eurostat.

Table 11: Number and location of financial subsidiaries in other countries, 1997

	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK	In other EEA	CH	USA	Japan	In other third countries
EU-15	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
EUR-11	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
B	-	0	1	0	0	7	1	0	16	4	0	0	0	0	0	0	6	0	0	9
DK	0	-	1	0	0	0	0	0	4	0	0	0	0	0	0	0	1	0	0	0
D	2	0	-	0	2	10	15	3	35	6	5	1	0	0	12	0	18	3	1	23
EL	:	:	:	-	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
E	7	0	7	0	-	7	1	6	12	9	2	19	0	0	14	0	10	22	0	177
F	:	:	:	:	:	-	:	:	:	:	:	:	:	:	:	:	:	:	:	:
IRL	:	:	:	:	:	:	-	:	:	:	:	:	:	:	:	:	:	:	:	:
I	1	0	3	0	2	8	3	-	11	0	1	0	0	0	2	5	7	0	0	15
L	:	:	:	:	:	:	:	:	-	:	:	:	:	:	:	:	:	:	:	:
NL	:	:	:	:	:	:	:	:	:	-	:	:	:	:	:	:	:	:	:	:
A	0	0	2	0	0	0	0	2	0	0	-	0	0	0	2	0	2	2	0	38
P	:	:	:	:	:	:	:	:	:	:	:	-	:	:	:	:	:	:	:	:
FIN	0	0	0	0	0	0	0	0	2	0	0	0	-	0	0	0	0	1	0	3
S	:	:	:	:	:	:	:	:	:	:	:	:	:	-	:	:	:	:	:	:
UK	:	:	:	:	:	:	:	:	:	:	:	:	:	:	-	:	:	:	:	:
IS	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
NO	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
EEA	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
CH	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	-	:	:	:

Source: Eurostat.

2.5 Employment

The weight of the banking industry in the total employment of each country is rather similar across Europe, ranging from 1.2 % in Sweden to 2.4 % in Ireland. Luxembourg, where the number of persons employed by credit institutions reaches more than 11 % of its total employment, represents a notable exception.

The sector employs 2 696 925 persons. The figure has remained relatively stable: an average 2.4 % decline in EU-15 and 1.6 % in EUR-11. The countries which have registered the sharpest fall in employment are Finland (-26.9 %) and Denmark (-12.6 %). Finland suffered a banking crisis in the early 1990's. Three Member States have recorded a significant increase in the number of persons employed by the banking industry between 1994 and 1997: Norway (15.2 %), Greece (9.2 %) and Luxembourg (8.5 %). Ireland experienced the highest growth (44.2 %).

Table 12: Evolution of number of persons employed, 1994-97

	Persons employed					Persons employed per enterprise				
	1994	1995	1996	1997	Growth 94-97 (%)	1994	1995	1996	1997	Growth 94-97 (%)
EU-15	2 762 595	2 752 581	2 709 668	2 696 925	-2.4	274	282	286	296	8.0
EUR-11	2 144 447	2 144 881	2 121 725	2 109 359	-1.6	235	243	248	256	9.1
B	78 589 *	78 447	78 535	78 592 ¹	0.0	644	654	677	721	11.9
DK	48 616	46 563	43 629	42 483	-12.6	234	228	215	208	-10.9
D	758 250	757 800	750 100	751 100	-0.9	196	200	204	210	7.2
EL	49 090	51 525	53 025	53 587	9.2	1 259	1 321	1 293	1 374	9.2
E	251 078	249 023	246 800	247 361	-1.5	492	492	539	595	20.8
F	392 607	391 663	387 205	378 122	-3.7	273	305	313	339	23.8
IRL	22 400	33 300	32 300	32 300 *	44.2	574	694	659	609	6.1
I	338 937	337 893	331 136	322 924	-4.7	338	348	353	345	2.1
L	17 638	18 255	18 582	19 135	8.5	79	83	84	89	12.0
NL	107 100	105 000	107 700	113 200	5.7	619	603	626	670	8.2
A	76 630	76 257	75 716	75 076	-2.0	73	73	74	76	4.3
P	65 218	65 485	65 722	65 217	0.0	193	204	211	217	12.7
FIN ²	36 000	31 758 ³	27 929 ³	26 332 ³	-26.9	101	91	80	77	-23.9
S	47 816	47 829	47 702	47 437	-0.8	201	200	194	226	12.4
UK ⁴	472 626	461 783	443 587	444 059	-6.0	1 006	1 008	984	1 030	2.5
IS	3 923	3 923	:	:	:	35	35	:	:	:
NO ⁵	24 057	25 012	30 246	27 723	15.2	59	59	69	61	3.9
EEA ⁶	2 790 575	2 781 516	2 739 914	2 724 648	-2.4	263	270	276	285	8.2
CH	122 025	120 692	120 578	120 565	-1.2	245	289	296	302	23.6

1) Provisional.

2) 'Other monetary intermediation' institutions only.

3) Including representative offices and subsidiaries.

4) Host Basis (excluding EEA branches operating in the UK).

5) 1994 and 1995: Man-years.

6) For 1996 and 1997: excluding Iceland.

Source: Eurostat.

The number of persons employed per credit institution has increased from an average 274 in 1994 to 296 in 1997 which is possibly due to mergers. Greece, with 1 374 and the UK, with 1 030 persons employed, are the countries with the highest number of persons employed per enterprise. Iceland, with 35 (1995 data), Norway with 61 and Austria with 76, are at the other end of the line. There are also important differences in the amount of persons employed in each local unit: from 35 in Iceland, 34 in Luxembourg and 26 in Greece, to only 7 in Spain, which gives an indication of the average size of the local units.

Table 13: Number of persons employed by category of credit institutions, 1997

	Total	Licensed banks	Financial leasing companies	Specialised credit granting institutions	Other credit institutions	Other financial intermediaries
EU-15 ¹	2 696 925	1 404 102	844	4 936	4 623	0
EUR-11 ¹	2 109 359	863 973	844	4 936	4 623	0
B ²	78 592	78 592	0	0	0	0
DK	42 483	42 483	0	0	0	0
D	751 100	:	0	:	0	0
EL	53 587	53 587	0	0	0	0
E	247 361	242 155	0	4 936	270	0
F	378 122	:	0	:	:	:
IRL ³	32 300	:	0	0	:	0
I	322 924	321 381	0	0	1 543	0
L	19 135	19 135	0	0	0	0
NL	113 200	113 200	0	0	0	0
A	75 076	:	:	:	:	:
P	65 217	63 178	844	0	1 195	0
FIN ⁴	26 332	26 332	0	0	1 615	0
S	47 437	:	:	:	:	:
UK ⁵	444 059	444 059	:	:	:	:
IS ⁶	3 923	:	:	:	:	:
NO	27 723	24 395	0	1 662 ⁷	:	1 666 ⁹
EEA ¹	2 728 571	1 428 497	844	6 598	4 623	1 666
CH	120 565	120 565	:	:	:	:

1) For available data only.

2) Provisional.

3) 1996 data.

4) 'Other monetary intermediation' institutions only.

5) Host Basis (excluding EEA branches operating in the UK).

6) 1995 data.

7) Including mortgage and finance companies.

8) Unit trust which are to be considered as credit institutions are included in 'Other financial intermediations'.

9) Financial holding companies only.

Source: Eurostat.

Table 14: Employment ratios of credit institutions, 1997

	Persons employed / Total employment	Persons employed / Enterprises	Persons employed / Local units	Personnel costs / Persons employed (ECU)	Production value ¹ / Persons employed (ECU)	Interests and commissions receivable / Persons employed (ECU)
EU-15	1.80	296	13	47 233	145 641	345 887
EUR-11	1.87	256	11	50 823	151 623	347 161
B	2.05	721	13	57 965	165 812	713 030
DK	1.59	208	20	46 262	:	252 681
D	2.13	210	11	47 047	139 791	399 938
EL	1.39	1 374	26	32 084	79 130	194 268
E	1.95	595	7	42 594	151 456	236 286
F	1.71	339	15	60 282	182 609	517 892
IRL	2.36	609	34	42 539	:	:
I	1.61	345	13	61 125	:	:
L	11.32	89	34	65 429	:	1 882 467
NL	1.67	670	16	41 540	154 137	367 500
A	2.08	76	13	55 275	158 637	332 379
P	1.44	217	13	30 337	98 178	208 328
FIN	1.25	77	16	29 848	104 928	205 665
S	1.21	226	19	51 500	:	643 780
UK	1.67	1 030	28	31 644	130 296	335 228
IS	:	:	:	23 961	:	:
NO	:	61	14	48 623	352 605	358 957
EEA	1.80	285	13	47 213	148 180	345 523
CH	3.52	302	35	87 286	:	495 896

1) Production value: Interest receivable and similar income minus Interest payable and similar charges plus Commissions receivable plus Income from securities plus Net profit or net loss on financial operations plus Other operating income.

Source: Eurostat.

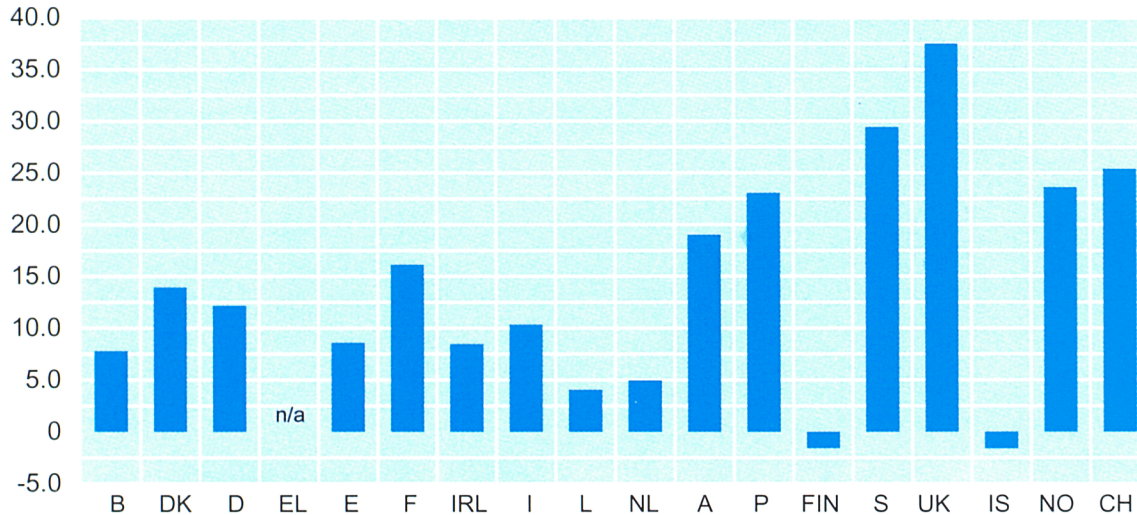
Average staff costs amount to ECU 47 233 in the EU for the year 1997. Staff costs or personnel costs include wages and salaries as well as employer's social security costs. Across the EEA, they range from ECU 23 961 in Iceland to ECU 65 429 in Luxembourg. Switzerland has by far the highest personnel costs as they amount to ECU 87 286. These figures have to be considered cautiously as they do not take into consideration the cost of living in the different Member States.

Average personnel costs per person employed have followed different tendencies across Europe. Most countries have seen the average cost increase, by a low percentage in some and by a rather high percentage in others. Luxembourg, the Netherlands, Belgium and Spain all have gone through increases inferior to 10 %, while in Portugal, Sweden and the United Kingdom, it has been between 20 and almost 40 %. Personnel costs per person employed have slightly decreased (-1.6 %) in Finland and in Iceland between 1994 and 1997. Changes in the average personnel costs are probably explained by the changing structures of both the enterprises and the business. The fast changing environment, increasing competition, new products and technologies have most likely led credit institutions to changing their employment structures to more qualified staff, which would explain the larger increases in average personnel costs.

One of the key items of accounting data in credit institutions is the production value per person employed. It is difficult to get a clear and true picture of the situation in Europe, since data from several countries (Denmark, Ireland, Italy, Luxembourg, Sweden and Iceland) are not available.

According to the available data, France and Belgium have the highest production value per person employed ratio. On the contrary, Greece is at the other end of the line with ECU 79 130.

Figure 10: Change in personnel costs per person employed (%), 1994-1997



Note: For Ireland the change is 1995-96.

Source: Eurostat.

Nevertheless, the figures have to be handled carefully. The differences are not only due to the level of productivity, but also to differences in standards of living as well as to differences in the banking systems in terms of activity volume and profitability. On the other hand, Belgian banks, by example, use more independent agents than Greek banks. These independent agents are not taken into account in the employment figures for credit institutions for Belgium, although they contribute to the production recorded by them.

Belgium

3

COUNTRY ANALYSIS

The number of credit institutions in Belgium has increased by 10.7% during the period 1994-1997. The total of enterprises with a bank account has increased as follows: 64.3% shareholder enterprises, as against 31.3% for enterprises without a bank account, and 41.2% for enterprises of non-EEA enterprises. There is only one enterprise without a bank account of which the legal status is not a limited liability company. However, a legal status of incorporation of enterprises without a bank account is not a condition of membership. Member states are active in Belgium.

Despite its active role in supervising credit institutions, the Poste is not included in the coverage of the Belgium data. The Poste is not subject to supervisory rules of the National Bank of Belgium. The National Bank of Belgium and the Financial and Banking Commission use supervisory control. Since 1994 the Banque de la Poste has taken over most of the Commission activities of the Poste. This institution is obliged to send returns to the Supervisory Authorities. Nevertheless, part of the business of this institution (contacts with clients) is still carried out by the Poste staff in the Post offices.

There are, as an average, 58 local units per credit institution, which account for regional and principal offices of Belgian credit institutions as well as branches of non-EEA credit institutions. The offices of independent agents working for the credit institutions are not considered.

The 109 credit institutions employ an average of 721 persons per enterprise and produce average revenues from interest and income (%) of ECU 5.14 Mio.

8 Table 1: Evolution of main indicators of total of credit institutions 1994-1997

	1994	1995	1996	1997	1998
Number of enterprises ¹	109	120	120	109	109
Number of local units ²	6 284	6 284	6 284	6 284	6 284
Interest receivable and similar income (Mio ECU)	49 126	57 763	51 210	51 942	3 125
Commissions receivable (Mio ECU)	1 094	1 087	1 832	2 457	9 51
Production value (Mio ECU)	11 220	10 855	11 841	12 047	7 45
Value added at basic prices (Mio ECU)				8 003	
Value added at factor cost (Mio ECU)	7 087	7 047	7 047	7 047	10 67
Personnel costs (Mio ECU)	4 286	4 385	4 544	4 345	2 53
Total purchases of goods and services (Mio ECU)	2 723	2 953	3 045	7 642	0 28
Number of persons employed	78 803	78 447	78 582	78 582	78
Number of employees	78 803	78 388	78 582	78 582	78

1) 1994 estimation.

2) 1994 estimation, 1997 projection.

Source: Eurostat

(*) Interest receivable and similar income from non-EEA enterprises



BELGIUM

Inconsistencies due to a still incomplete harmonisation of methodological concepts and definitions are found for Belgium regarding the indicators 'Number of local units' and 'Number of persons employed' in 1996 in Table 1 and Table 9.

The number of credit institutions in Belgium has dropped by 10.7 % during the period 1994-1997. They are all classified within NACE Rev. 1 class 65.12 and are structured as follows: 64.2 % shareholding companies, as much as 21.1 % co-operatives and almost 14 % branches of non-EEA enterprises. There is only one municipal savings bank left, since all savings banks other than municipal have a legal status of incorporated enterprise limited by share or co-operative. 25 branches of other EU Member States are active in Belgium.

Despite its activity in other monetary financial intermediation, the 'Poste' is not included in the coverage of the Belgian data – i.e. the Post is not obliged to supervisory returns to the National Bank of Belgium. The National Bank of Belgium and the Financial and Banking Commission use supervisory returns. Since 1998, the Banque de la Poste has taken over most of the banking activities of the Poste. This institution is obliged to send returns to the Supervisory Authorities. Nevertheless, part of the business of this institution (contacts with clients) is still carried out by the Poste staff in the Post offices.

There are, as an average, 58 local units per credit institution, which account for regional and principal offices of Belgian credit institutions as well as branches of non-EEA credit institutions. The offices of independent agents working for the credit institutions are not considered.

The 109 credit institutions employ an average of 721 persons per enterprise and produce average revenues from interest and income ⁽¹⁾ of ECU 514 Mio.

B Table 1: Evolution of main indicators of total of credit institutions, 1994-1997

	1994	1995	1996	1997	Average annual growth, %
Number of enterprises ¹	122	120	116	109	-3.69
Number of local units ²	6 689	6 543	6 424	6 284	-2.06
Interest receivable and similar income (Mio ECU)	49 234	53 703	51 230	53 942	3.09
Commissions receivable (Mio ECU)	1 596	1 507	1 802	2 097	9.51
Production value (Mio ECU)	9 820	10 850	11 644	12 047	7.05
Value added at basic prices (Mio ECU)	:	:	:	5 005	:
Value added at factor cost (Mio ECU)	7 097	7 947	8 598	:	10.07
Personnel costs (Mio ECU)	4 226	4 386	4 504	4 556	2.53
Total purchases of goods and services (Mio ECU)	2 723	2 903	3 046	7 042	37.26
Number of persons employed ²	78 589	78 447	78 535	78 592	0.00
Number of employees	78 530	78 388	78 482	78 539	0.00

1) 1994 estimation.

2) 1994 estimation, 1997 provisional.

Source: Eurostat.

(1) Interest receivable and similar income plus commissions receivable.

B Table 2: Number of enterprises broken down by legal status, 1997

	Total credit institutions	Other monetary intermediation	Financial leasing	Other credit granting	Other financial intermediation n.e.c.
Incorporated enterprises limited by shares	70	70	0	0	0
Cooperative enterprises	23	23	0	0	0
Savings banks	1	1	0	0	0
Branches of non-EEA enterprises	15	15	0	0	0
Others	0	0	0	0	0
TOTAL	109	109	0	0	0

Source: Eurostat.

B Table 3: Number of enterprises broken down by size classes of balance sheet total, 1997

	> ECU 100 000 Mio	ECU 10 000-99 999 Mio	ECU 1 000-9 999 Mio	ECU 100-999 Mio	< ECU 99 Mio	TOTAL
Total credit institutions	1	10	31	48	19	109

Source: Eurostat.

Most enterprises (over 70 %) have a balance sheet total between ECU 100 and 9 999 Mio. Only one enterprise registers over ECU 100 bn. The average balance sheet total per credit institution amounts to around ECU 6 000 Mio.

B Table 4: Number and location of financial subsidiaries in other countries, 1997 ¹

	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK	In other EEA	CH	USA	Japan	In other third countries
Total credit institutions	0	1	0	0	7	1	0	16	4	0	0	0	0	0	0	6	0	0	9

1) 1996 data for France and other third countries.

Source: Eurostat.

B Table 5: Total number and location of branches in non-EEA countries, 1997 ¹

	Total	Switzerland	USA	Japan	In other third countries (rest of the world)
Total credit institutions	26	0	4	0	22

1) 1996 data.

Source: Eurostat.

B Table 6: Number and origin of EEA branches, active in the host country, 1997

	Total EU-15	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK	IS	NO	CH
Total credit institutions	25	0	6	0	3	8	0	2	0	4	0	0	0	0	2	0	0	0

Source: Eurostat.

B Table 7: Profit and loss account, 1997

(Mio ECU)

	Total credit institutions
Interest receivable and similar income	53 942
Interest receivable and similar income arising from fixed-income securities	11 495
Interest payable and similar charges	46 039
Interest payable and similar charges linked to debt securities in issue	5 467
Income from securities	521
Income from shares and other variable-yield securities	95
Commissions receivable	2 097
Commissions payable	985
Net profit or net loss on financial operations	1 837
Other operating income	674
General administrative expenses	6 879
Other administrative expenses	2 323
Other operating charges	163
Value adjustments and value readjustments in respect of loans and advances and provisions for contingent liabilities and for commitments	1 611
Other value adjustments and value readjustments	666
Profit or loss on ordinary activities	2 728
Extraordinary profit or loss	522
All taxes (tax on profit or loss on ordinary activities, tax on extraordinary profit or loss, other taxes)	1 258
Profit or loss for the financial year	1 992

Source: Eurostat.

B Table 8: Balance sheet variables, 1997

(Mio ECU)

	Loans and advances to customers	Amounts owed to customers	Total of capital and reserves	Balance sheet total
Total credit institutions	226 869	260 135	18 679	664 188

Source: Eurostat.

Banking profitability measured in terms of return on equity (ROE) ⁽²⁾ reaches 7.9 % and 0.22 % in terms of return on assets (ROA) ⁽³⁾.

B Table 9: Total credit institutions: Breakdown by regions, 1996

Regions	Number of local units	Number of persons employed	Wages and salaries (Mio ECU)
Rég.Buxelles-Cap./Brussels Hfdst.Gew.	632	34 132	1 273
Antwerpen	1 154	11 894	444
Limburg (B)	511	2 971	119
Oost-Vlaanderen	948	5 835	244
Vlaams Brabant	144	144	144
West-Vlaanderen	936	5 578	218
Babant Wallon	144	842	81
Hainaut	598	4 114	181
Liège	431	3 406	133
Luxembourg (B)	126	577	23
Namur	157	1 066	58
TOTAL	6 303	76 561	3 059

Source: Eurostat.

⁽²⁾ Defined as profit and loss on ordinary activities, minus all taxes, divided by total of capital and reserves.

⁽³⁾ Defined as profit and loss on ordinary activities, minus all taxes, divided by balance sheet total.

DENMARK

The number of credit institutions ⁽⁴⁾ has remained stable between 1994 and 1997. All credit institutions in Denmark are classified within NACE Rev. 1 class 65.12.

Among the 204 credit institutions, savings banks are dominant, with 106 entities, followed by incorporated enterprises limited by shares (72) and co-operatives (26). There are no branches of non-EEA enterprises. Danish credit institutions are mainly licensed banks (196), although specialised credit granting institutions also exist (8).

In 1997 credit institutions have, as an average, 11 local units and 208 persons employed.

Most Danish credit institutions are rather small; 62 % of them have a balance sheet total lower than ECU 99 Mio. The average consolidated balance sheet total amounts to ECU 1 581 Mio, but the average balance sheet total of licensed banks amounts to only ECU 919 Mio, whereas that of the 8 specialised credit granting institutions reaches as much as ECU 17 815 Mio. These 8 enterprises account for over 40 % of the consolidated balance sheet total.

Danish credit institutions show good profitability in 1997, with a ROE ⁽⁵⁾ of 17.8 % and a ROA ⁽⁶⁾ of 0.76 %.

DK Table 1: Evolution of main indicators of total of credit institutions, 1994-1997

	1994	1995	1996	1997	Average annual growth, %
Number of enterprises	208	204	203	204	-0.65
Number of local units	2 245	2 215	2 203	2 178	-1.00
Interest receivable and similar income (Mio ECU)	9 649	9 946	9 158	9 465	-0.64
Commissions receivable (Mio ECU)	1 062	1 003	1 143	1 269	6.13
Production value (Mio ECU)	10 197	12 025	11 127	11 163	3.06
Value added at basic prices (Mio ECU)	8 894	10 677	9 717	9 655	2.77
Value added at factor cost (Mio ECU)	:	5 405	3 845	:	:
Personnel costs (Mio ECU)	1 974	2 005	1 963	1 965	-0.14
Total purchases of goods and services (Mio ECU)	1 302	1 342	1 410	1 507	5.00
Number of persons employed	48 616	48 563	43 629	42 483	-4.40
Number of employees	44 685	43 010	40 496	39 102	-4.35

Source: Eurostat.

⁽⁴⁾ Credit institutions data for Denmark include Greenland and The Faeroe Islands.

⁽⁵⁾ Defined as profit and loss on ordinary activities, minus all taxes, divided by total of capital and reserves.

⁽⁶⁾ Defined as profit and loss on ordinary activities, minus all taxes, divided by balance sheet total.

DK Table 2: Number of enterprises broken down by legal status, 1997

	Total credit institutions	Other monetary intermediation	Financial leasing	Other credit granting	Other financial intermediation n.e.c.
Incorporated enterprises limited by shares	72	72	0	0	0
Cooperative enterprises	26	26	0	0	0
Savings banks	106	106	0	0	0
Branches of non-EEA enterprises	0	0	0	0	0
Others	0	0	0	0	0
TOTAL	204	204	0	0	0

Source: Eurostat.

DK Table 3: Number of enterprises broken down by size classes of balance sheet total, 1997

	> ECU 100 000 Mio	ECU 10 000-99 999 Mio	ECU 1 000-9 999 Mio	ECU 100-999 Mio	< ECU 99 Mio	TOTAL
Total credit institutions	0	6	12	60	126	204

Source: Eurostat.

DK Table 4: Number of enterprises broken down by category of credit institutions, 1997

	Licensed banks	Financial leasing companies	Specialised credit granting institutions	Other credit institutions	Other financial intermediaries	TOTAL
Total credit institutions	196	0	8	0	0	204

Source: Eurostat.

DK Table 5: Number and location of financial subsidiaries in other countries, 1997

	B	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK	In other EEA	CH	USA	Japan	In other third coun- tries
Total credit institutions	0	1	0	0	0	0	0	4	0	0	0	0	0	0	0	1	0	0	0

Source: Eurostat.

DK Table 6: Total number and location of branches in non-EEA countries, 1997

	Total	Switzerland	USA	Japan	In other third countries (rest of the world)
Total credit institutions	6	0	2	0	4

Source: Eurostat.

DK Table 7: Number and origin of EEA branches, active in the host country, 1997

	Total EU-15	B	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK	IS	NO	CH
Total credit institutions	14	0	5	0	1	0	0	0	0	0	0	0	2	2	4	0	2	0

Source: Eurostat.

DK Table 8: Profit and loss account, 1997

(Mio ECU)

	Total credit institutions
Interest receivable and similar income	9 465
Interest receivable and similar income arising from fixed-income securities	2 795
Interest payable and similar charges	5 185
Interest payable and similar charges linked to debt securities in issue	9 213
Income from securities	:
Income from shares and other variable-yield securities	95
Commissions receivable	1 269
Commissions payable	252
Net profit or net loss on financial operations	496
Other operating income	133
General administrative expenses	2 211
Other administrative expenses	956
Other operating charges	573
Value adjustments and value readjustments in respect of loans and advances and provisions for contingent liabilities and for commitments	279
Other value adjustments and value readjustments	400
Profit or loss on ordinary activities	2 949
Extraordinary profit or loss	-99
All taxes (tax on profit or loss on ordinary activities, tax on extraordinary profit or loss, other taxes)	493
Profit or loss for the financial year	2 357

Source: Eurostat.

DK Table 9: Balance sheet variables, 1997

(Mio ECU)

	Loans and advances to customers	Amounts owed to customers	Total of capital and reserves	Balance sheet total
Total credit institutions	204 308	85 298	13 762	322 562

Source: Eurostat.

DK Table 10: Balance sheet total broken down by category of credit institutions, 1997

(Mio ECU)

	Licensed banks	Financial leasing companies	Specialised credit granting institutions	Other credit institutions	Other financial inter- mediaries	TOTAL
Total credit institutions	180 039	0	142 523	0	0	322 562

Source: Eurostat.

GERMANY

Inconsistencies due to a still incomplete harmonisation of methodological concepts and definitions are found for Germany regarding, on the one hand the different types of breakdowns of the indicator 'Number of enterprises', and on the other hand the indicator 'Number of local units' in 1997 in Table 1 and Table 11.

All credit institutions are covered by NACE class 65.12, the big majority of which being co-operatives (2 389) and savings banks (598). There are 30 branches of non-EEA enterprises active in Germany as well as 47 from other EU countries and 1 from Norway. Branches from other EU countries originate mostly from France (10), the United Kingdom (8), the Netherlands (6), Italy and Denmark (5 each). German enterprises have a strong presence abroad as far as subsidiaries are concerned, with as many as 91 of them in other EU countries (35 of which in Luxembourg), 18 in Switzerland, 3 in the USA, 1 in Japan and 23 in the rest of the world. German enterprises have a total 92 branches in non-EEA countries, including 13 in the USA and 12 in Japan.

The three biggest German banks have only 17 % of the domestic market between them. The rest is shared evenly between co-operative banks, savings banks, etc.

Most co-operatives and savings banks are of smaller importance, which explains that over 85 % of all enterprises have a balance sheet total lower than ECU 999 Mio. Germany is however among the rare countries with large enterprises. It registers 8 companies with a balance sheet total over ECU 100 bn. One of these big enterprises is a universal bank with assets of ECU 800-850 bn. Nevertheless, this bank controls only 3 % of deposits in the 11-nation Euro zone.

While the number of enterprises has been decreasing by 7.6 % over the period 1994-97, the network of banks has been developing and the number of local units per enterprise has increased from 14 to 19. The phenomenon of concentration and rationalisation of the sector also leads to an increase in the average number of persons employed per enterprise, which has increased from 196 to 210 during the period of reference.

The consolidated balance sheet total amounts in 1997 to ECU 5 173 956 Mio, distributed between 76 % for all licensed banks and 24 % for the specialised credit granting institutions.

D Table 1: Evolution of main indicators of total of credit institutions, 1994-1997

	1994	1995	1996	1997	Average annual growth, %
Number of enterprises	3 872	3 785	3 675	3 578	-2.60
Number of local units	52 593	71 715	70 338	66 764	8.28
Interest receivable and similar income (Mio ECU)	248 240	266 323	270 041	279 166	3.99
Commissions receivable (Mio ECU)	17 261	17 575	18 851	21 227	7.14
Production value (Mio ECU)	85 205	86 837	89 278	:	2.36
Value added at basic prices (Mio ECU)	59 926	60 264	61 648	:	1.43
Personnel costs (Mio ECU)	31 806	34 761	34 957	35 337	3.57
Total purchases of goods and services (Mio ECU)	25 279	26 572	27 630	:	4.55
Number of persons employed	758 250	757 800	750 100	751 100	-0.32
Number of employees	758 250	757 800	750 100	751 100	-0.32

Source: Eurostat.

D Table 2: Number of enterprises broken down by legal status, 1997

	Total credit institutions	Other monetary intermediation	Financial leasing	Other credit granting	Other financial intermediation n.e.c.
Incorporated enterprises limited by shares	188	188	0	0	0
Cooperative enterprises	2 389	2 389	0	0	0
Savings banks	598	598	0	0	0
Branches of non-EEA enterprises	30	30	0	0	0
Others	195	195	0	0	0
TOTAL	3 400	3 400	0	0	0

Source: Eurostat.

D Table 3: Number of enterprises broken down by size classes of balance sheet total, 1997

	> ECU 100 000 Mio	ECU 10 000-99 999 Mio	ECU 1 000-9 999 Mio	ECU 100-999 Mio	< ECU 99 Mio	TOTAL ¹
Total credit institutions	8	63	433	1 690	1 254	3 448

1) Including 48 branches of other EEA countries.

Source: Eurostat.

D Table 4: Number of enterprises broken down by category of credit institutions, 1997

	Licensed banks	Financial leasing companies	Specialised credit granting institutions	Other credit institutions	Other financial intermediaries	TOTAL
Total credit institutions	3 448	0	87	0	0	3 535

Source: Eurostat.

D Table 5: Number and location of financial subsidiaries in other countries, 1997

	B	DK	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK	In other EEA	CH	USA	Japan	In other third coun- tries
Total credit institutions	2	0	0	2	10	15	3	35	6	5	1	0	0	12	0	18	3	1	23

Source: Eurostat.

D Table 6: Total number and location of branches in non-EEA countries, 1997

	Total	Switzerland	USA	Japan	In other third countries (rest of the world)
Total credit institutions	92	2	13	12	65

Source: Eurostat.

D Table 7: Number and origin of EEA branches, active in the host country, 1997

	Total EU-15	B	DK	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK	IS	NO	CH
Total credit institutions	47	2	5	2	2	10	1	5	2	6	3	0	0	1	8	0	1	0

Source: Eurostat.

D Table 8: Profit and loss account, 1997

(Mio ECU)

	Total credit institutions
Interest receivable and similar income	279 166
Interest receivable and similar income arising from fixed-income securities	279 166
Interest payable and similar charges	212 382
Interest payable and similar charges linked to debt securities in issue	:
Income from securities	8 763
Income from shares and other variable-yield securities	8 763
Commissions receivable	21 227
Commissions payable	3 718
Net profit or net loss on financial operations	2 702
Other operating income	5 521
General administrative expenses	56 591
Other administrative expenses	21 255
Other operating charges	3 443
Value adjustments and value readjustments in respect of loans and advances and provisions for contingent liabilities and for commitments	-12 552
Other value adjustments and value readjustments	837
Profit or loss on ordinary activities	:
Extraordinary profit or loss	-1 823
All taxes (tax on profit or loss on ordinary activities, tax on extraordinary profit or loss, other taxes)	11 505
Profit or loss for the financial year	10 909

Source: Eurostat.

D Table 9: Balance sheet variables, 1997

(Mio ECU)

	Loans and advances to customers	Amounts owed to customers	Total of capital and reserves	Balance sheet total
Total credit institutions	2 628 828	2 076 684	166 871	5 173 956

Source: Eurostat.

D Table 10: Balance sheet total broken down by category of credit institutions, 1997

(Mio ECU)

	Licensed banks	Financial leasing companies	Specialised credit granting institutions	Other credit institutions	Other financial inter-mediaries	TOTAL
Total credit institutions	3 933 430	0	1 240 526	0	0	5 173 956

Source: Eurostat.

D Table 11: Total credit institutions: Breakdown by regions ¹, 1997

Regions	Number of local units	Number of persons employed	Wages and salaries (Mio ECU)
Baden-Württemberg	10 972	:	3 097
Bayern	12 468	:	4 453
Berlin	1 153	:	814
Bremen	329	:	231
Hamburg	785	:	812
Hessen	6 384	:	8 334
Niedersachsen	6 797	:	1 839
Nordrhein-Westfalen	10 176	:	5 060
Rheinland-Pfalz	4 625	:	892
Saarland	1 055	:	261
Schleswig-Holstein	2 135	:	592
Mecklenburg-Vorpommern	1 159	:	171
Brandenburg	1 541	:	234
Sachsen-Anhalt	1 913	:	234
Thüringen	2 039	:	248
Sachsen	3 077	:	481
TOTAL	66 608	751 100	27 753

¹) Bundesländer.

Source: Eurostat.

GREECE

The number of credit institutions in Greece has remained stable over the last 10 years. In 1997, they total 39 (7). 23 of them are incorporated enterprises limited by shares and 7 are co-operatives. There are also 9 branches of non-EEA enterprises. Knowing that this figure accounts for 23.1 % of the total, it shows an important foreign presence on the market. This, without counting the 47 branches which originate in other EU Member States and which account for ECU 828 Mio interest receivable or similar income, i.e. as much as 8.8 % of the total declared for enterprises operating in Greece.

All 39 credit institutions are commercial banks or non-EEA branches. An average of 53 local units makes up their networks in 1997, compared with 41 in 1994. The number of local units has developed at an 8.8 % yearly rate between 1994 and 1997, or by almost 30 % altogether. Considering the employment figures, they are rather big, since the average number of persons employed per credit institution amounts to 1 374.

The average balance sheet total per enterprise amounts to ECU 2 764 Mio, while 4 credit institutions have a balance sheet total falling between ECU 10 and 99 bn. Production value per enterprise amounts to ECU 106 Mio. Bank profitability figures show good results with an 11.5 % average return on equity (8) and an 0.55 % average return on assets (9).

EL Table 1: Evolution of main indicators of total of credit institutions, 1994-1997

	1994	1995	1996	1997	Average annual growth, %
Number of enterprises	39	39	41	39	0.00
Number of local units	1 610	1 900	1 985	2 075	8.83
Interest receivable and similar income (Mio ECU)	:	:	:	9 439	:
Commissions receivable (Mio ECU)	:	:	:	971	:
Production value (Mio ECU)	:	:	:	4 139	:
Value added at basic prices (Mio ECU)	:	:	:	3 205	:
Value added at factor cost (Mio ECU)	:	:	:	3 205	:
Personnel costs (Mio ECU)	:	:	:	1 719	:
Total purchases of goods and services (Mio ECU)	:	:	:	934	:
Number of persons employed	49 090	51 525	53 025	53 587	2.96

Source: Eurostat.

(7) All are classified under NACE Rev 1 class 65.12.

(8) Defined as profit and loss on ordinary activities, minus all taxes, divided by total of capital and reserves.

(9) Defined as profit and loss on ordinary activities, minus all taxes, divided by balance sheet total.

EL Table 2: Number of enterprises broken down by legal status, 1997

	Total credit institutions	Other monetary intermediation	Financial leasing	Other credit granting	Other financial intermediation n.e.c.
Incorporated enterprises limited by shares	23	23	0	0	0
Cooperative enterprises	7	7	0	0	0
Savings banks	0	0	0	0	0
Branches of non-EEA enterprises	9	9	0	0	0
Others	0	0	0	0	0
TOTAL	39	39	0	0	0

Source: Eurostat.

EL Table 3: Number of enterprises broken down by size classes of balance sheet total, 1997

	> ECU 100 000 Mio	ECU 10 000- 99 999 Mio	ECU 1 000- 9 999 Mio	ECU 100- 999 Mio	< ECU 99 Mio	TOTAL
Total credit institutions	0	4	11	16	8	39

Source: Eurostat.

EL Table 4: Total number and location of branches in non-EEA countries, 1997

	Total	Switzerland	USA	Japan	In other third countries (rest of the world)
Total credit institutions	13	0	4	0	9

Source: Eurostat.

EL Table 5: Number and origin of EEA branches, active in the host country, 1997

	Total EU-15	B	DK	D	E	F	IRL	I	L	NL	A	P	FIN	S	UK	IS	NO	CH
Total credit institutions	47	0	0	2	0	12	0	1	0	11	0	0	0	0	21	0	0	0

Source: Eurostat.

EL Table 6: Interest receivable and similar income, business written by EEA branches, in the host country, 1997

(Mio ECU)

	B	DK	D	E	F	IRL	I	L	NL	A	P	FIN	S	UK	IS	NO	CH
Total credit institutions	0	0	c	0	326	0	c	0	91	0	0	0	0	336	0	0	0

Source: Eurostat.

EL Table 7: Profit and loss account, 1997

(Mio ECU)

	Total credit institutions
Interest receivable and similar income	9 439
Interest receivable and similar income arising from fixed-income securities	9 439
Interest payable and similar charges	7 140
Interest payable and similar charges linked to debt securities in issue	:
Income from securities	126
Income from shares and other variable-yield securities	25
Commissions receivable	971
Commissions payable	91
Net profit or net loss on financial operations	598
Other operating income	246
General administrative expenses	2 413
Other administrative expenses	694
Other operating charges	149
Value adjustments and value readjustments in respect of loans and advances and provisions for contingent liabilities and for commitments	553
Other value adjustments and value readjustments	190
Profit or loss on ordinary activities	844
Extraordinary profit or loss	21
All taxes (tax on profit or loss on ordinary activities, tax on extraordinary profit or loss, other taxes)	247
Profit or loss for the financial year	617

Source: Eurostat.

EL Table 8: Balance sheet variables, 1997

(Mio ECU)

	Loans and advances to customers	Amounts owed to customers	Total of capital and reserves	Balance sheet total
Total credit institutions	37 863	80 178	5 179	107 811

Source: Eurostat.

SPAIN

Inconsistencies due to a still incomplete harmonisation of methodological concepts and definitions are found for Spain regarding the indicator 'Number of local units' in 1997 in Table 1 and Table 14.

The total number of credit institutions in Spain has suffered an 18.4 % drop between 1994 and 1997. They are classified within NACE Rev. 1 classes 65.12 and 65.22.

213 out of 416 are incorporated enterprises limited by shares, 97 are co-operatives, 54 are branches of non-EEA enterprises. Finally, 51 are savings banks. 34 branches of EU enterprises as well as 2 Swiss branches are active on the Spanish territory, accounting for as much as 4.3 % of total interest receivable and similar income and for 4.9 % of the consolidated balance sheet total of enterprises operating in Spain. Concerning the activities of Spanish banks abroad, Spain does not count less than 84 subsidiaries in other EU Member States, 10 in Switzerland, 22 in USA and 177 in the rest of the world, as well as branches in the USA (15), Japan (3) and other third countries (17).

The number of local units per credit institution has evolved from 71 in 1994 to 91 in 1997, while production value per enterprise has increased from ECU 51 Mio to ECU 69 Mio and the average number of persons employed from 492 to 595.

The 1997 return on equity ⁽¹⁰⁾ of other monetary intermediation enterprises is 9.2 % and only 3 % for enterprises classified under 'other credit granting'. Their return on assets ⁽¹¹⁾ reaches respectively 0.73 % and 0.64 %.

E Table 1: Evolution of main indicators of total of credit institutions, 1994-1997

	1994	1995	1996	1997	Average annual growth, %
Number of enterprises	510	506	458	416	-6.57
Number of local units	36 165	36 790	37 485	38 039	1.70
Interest receivable and similar income (Mio ECU)	60 459	63 841	64 585	52 360	-4.68
Commissions receivable (Mio ECU)	4 791	4 783	5 271	6 088	8.31
Production value (Mio ECU)	26 249	26 243	28 335	28 587	2.88
Value added at basic prices (Mio ECU)	18 757	18 671	20 356	20 393	2.83
Value added at factor cost (Mio ECU)	18 757	18 671	20 356	20 393	2.83
Personnel costs (Mio ECU)	9 848	9 865	10 383	10 536	2.28
Total purchases of goods and services (Mio ECU)	7 492	7 571	7 979	8 195	3.03
Number of persons employed	251 078	249 023	246 800	247 361	-0.50
Number of employees	250 293	247 556	245 610	246 009	-0.57

Source: Eurostat.

⁽¹⁰⁾ Defined as profit and loss on ordinary activities, minus all taxes, divided by total of capital and reserves.

⁽¹¹⁾ Defined as profit and loss on ordinary activities, minus all taxes, divided by balance sheet total.

E Table 2: Number of enterprises broken down by legal status, 1997

	Total credit institutions	Other monetary intermediation	Financial leasing	Other credit granting	Other financial intermediation n.e.c.
Incorporated enterprises limited by shares	213	105	0	108	0
Cooperative enterprises	97	97	0	0	0
Savings banks	51	51	0	0	0
Branches of non-EEA enterprises	54	54	0	0	0
Others	1	0	0	1	0
TOTAL	416	307	0	109	0

Source: Eurostat.

E Table 3: Number of enterprises broken down by size classes of balance sheet total, 1997

	Total credit institutions	Other monetary intermediation	Other credit granting
> ECU 100 000 Mio	0	0	0
ECU 10 000-99 999 Mio	18	17	1
ECU 1 000-9 999 Mio	101	95	6
ECU 100-999 Mio	140	112	28
< ECU 99 Mio	157	83	74
TOTAL	416	307	109

Source: Eurostat.

The average total balance sheet of Spanish credit institutions amounts to ECU 2 037 Mio, whereas over 70 % of the enterprises have a balance sheet total lower than ECU 999 Mio.

E Table 4: Number of enterprises broken down by category of credit institutions, 1997

	Total credit institutions	Other monetary intermediation	Other credit granting
Licensed banks	307	307	0
Specialised credit granting institutions	108	0	108
Other credit institutions	1	0	1
TOTAL	416	307	109

Source: Eurostat.

E Table 5: Number and location of financial subsidiaries in other countries, 1997

	B	DK	D	EL	F	IRL	I	L	NL	A	P	FIN	S	UK	In other EEA	CH	USA	Japan	In other third countries
Total credit institutions	7	0	7	0	7	1	6	12	9	2	19	0	0	14	0	10	22	0	177

Source: Eurostat.

E Table 6: Total number and location of branches in non-EEA countries, 1997

	Total	Switzerland	USA	Japan	In other third countries (rest of the world)
Total credit institutions	35	0	15	3	17

Source: Eurostat.

E Table 7: Number and origin of EEA branches, active in the host country, 1997

	Total EU-15	B	DK	D	EL	F	IRL	I	L	NL	A	P	FIN	S	UK	IS	NO	CH
Total credit institutions	34	2	0	4	0	10	0	6	0	3	0	3	0	0	6	0	0	2

Source: Eurostat.

E Table 8: Interest receivable and similar income, business written by EEA branches, in the host country, 1997

(Mio ECU)

	B	DK	D	EL	F	IRL	I	L	NL	A	P	FIN	S	UK	IS	NO	CH
Total credit institutions	c	0	232	0	1 031	0	208	0	185	0	81	0	0	374	0	0	c

Source: Eurostat.

E Table 9: Balance sheet total, business written by EEA branches, in the host country, 1997

(Mio ECU)

	B	DK	D	EL	F	IRL	I	L	NL	A	P	FIN	S	UK	IS	NO	CH
Total credit institutions	c	0	3 781	0	21 239	0	3 997	0	2 916	0	1 338	0	0	5 480	0	0	c

Source: Eurostat.

E Table 10: Profit and loss account, 1997

(Mio ECU)

	Total credit institutions	Other monetary intermediation	Other credit granting
Interest receivable and similar income	52 360	49 587	2 773
Interest receivable and similar income arising from fixed-income securities	8 876	8 872	5
Interest payable and similar charges	33 670	31 657	2 013
Interest payable and similar charges linked to debt securities in issue	2 846	1 992	854
Income from securities	10 788	10 782	6
Income from shares and other variable-yield securities	1 912	1 910	2
Commissions receivable	6 088	5 987	101
Commissions payable	1 154	1 067	87
Net profit or net loss on financial operations	1 641	1 637	4
Other operating income	257	239	18
General administrative expenses	17 397	16 996	402
Other administrative expenses	6 861	6 646	215
Other operating charges	179	173	6
Value adjustments and value readjustments in respect of loans and advances and provisions for contingent liabilities and for commitments	1 728	1 666	62
Other value adjustments and value readjustments	1 757	1 715	42
Profit or loss on ordinary activities	7 769	7 407	362
Extraordinary profit or loss	1 396	1 320	76
All taxes (tax on profit or loss on ordinary activities, tax on extraordinary profit or loss, other taxes)	1 610	1 529	81
Profit or loss for the financial year	6 158	5 878	281

Source: Eurostat.

E Table 11: Balance sheet variables, 1997

(Mio ECU)

	Total credit institutions	Other monetary intermediation	Other credit granting
Loans and advances to customers	413 659	384 407	29 252
Amounts owed to customers	453 673	451 828	1 845
Total of capital and reserves	73 401	64 115	9 286
Balance sheet total	847 346	803 137	44 209

Source: Eurostat.

E Table 12: Balance sheet total broken down by category of credit institutions, 1997

(Mio ECU)

	Total credit institutions	Other monetary intermediation	Other credit granting
Licensed banks	803 137	803 137	0
Specialised credit granting institutions	19 640	0	19 640
Other credit institutions	24 569	0	24 569
TOTAL	847 346	803 137	44 209

Source: Eurostat.

The distribution of the combined balance sheets total is as follows: the 307 licensed banks account for 94.8 % of the total, whereas the 108 specialised credit granting institutions represent only 2.3 %; the remaining 2.9 % is made of one sole enterprise classified as 'other credit institutions'.

E Table 13: Employment, 1997

	Total credit institutions	Other monetary intermediation	Other credit granting
Persons employed	247 361	242 155	5 206
Employees	246 009	240 910	5 099
Employees in full-time equivalent units	245 916	240 910	5 006

Source: Eurostat.

E Table 14: Total credit institutions: Breakdown by regions, 1997

Regions	Number of local units	Number of persons employed	Wages and salaries (Mio ECU)
Galicia	2 462	:	:
Principado de Asturias	908	:	:
Cantabria	503	:	:
Pais Vasco	1 685	:	:
Comunidad Foral de Navarra	741	:	:
La Rioja	407	:	:
Aragon	1 633	:	:
Comunidad de Madrid	4 298	:	:
Castilla y León	2 903	:	:
Castilla-La Mancha	1 825	:	:
Extremadura	1 082	:	:
Cataluña	7 138	:	:
Comunidad Valenciana	3 996	:	:
Islas Baleares	964	:	:
Andalucía	5 212	:	:
Región de Murcia	911	:	:
Ceuta y Melilla	35	:	:
Canarias	931	:	:
TOTAL	37 634	247 361	:

Source: Eurostat.

FRANCE

Inconsistencies due to a still incomplete harmonisation of methodological concepts and definitions are found for France regarding the different types of breakdowns of the indicator 'Number of enterprises'.

Up to the 1996 reference year, French data were provided by the National Accounts. As of 1997, data come from the supervisory returns compiled by the 'Commission Bancaire': 'la Poste' is not covered.

The 1 117 credit institutions active in France are classified within NACE Rev. 1 65.12, 65.22 and 65.23 classes. France has some large credit institutions: as a matter of fact, 6 enterprises have a balance sheet total over ECU 100 bn. 925 are under ECU 1 bn, most of them being those classified within other credit granting.

As an average, there are 23 local units and 339 persons employed per enterprise. The average production value per institution is of ECU 62 Mio and the balance sheet total ECU 2 577 Mio.

84.2 % of the aggregated balance sheet total is made up of the 417 enterprises classified under other monetary intermediation.

The banking profitability indicators for all credit institutions are 5.98 % for the return on equity ⁽¹²⁾ and 0.25 % for the return on assets ⁽¹³⁾.

The return on equity varies according to the type of category: for NACE class 65.12, it is 6.27 %, for NACE class 65.22, 4.34 % and for NACE 65.23: 10.99 %. The respective results of the return on assets are 0.22 %, 0.42 % and 0.32 %.

F Table 1: Evolution of main indicators of total of credit institutions, 1994-1997

	1994	1995	1996	1997	Average annual growth, %
Number of enterprises	1 436	1 284	1 237	1 117	-8.03
Number of local units	25 841	26 279	26 017	26 065	0.29
Interest receivable and similar income (Mio ECU)	167 683	193 134	178 537	179 576	2.31
Commissions receivable (Mio ECU)	13 657	13 040	14 853	16 250	5.97
Production value (Mio ECU)	61 102	68 914	67 840	69 048	4.16
Value added at basic prices (Mio ECU)	40 722	47 107	45 362	46 255	4.34
Value added at factor cost (Mio ECU)	40 722	47 107	45 362	46 255	4.34
Personnel costs (Mio ECU)	20 380	21 807	22 478	22 794	3.80
Total purchases of goods and services (Mio ECU)	24 920	26 842	26 821	26 771	2.42
Number of persons employed	392 607	391 663	387 205	378 122	-1.25
Number of employees	392 607	391 663	387 205	378 122	-1.25

Source: Eurostat.

⁽¹²⁾ Defined as profit and loss on ordinary activities, minus all taxes, divided by total of capital and reserves.

⁽¹³⁾ Defined as profit and loss on ordinary activities, minus all taxes, divided by balance sheet total.

F Table 2: Number of enterprises broken down by legal status, 1997

	Total credit institutions ¹	Other monetary intermediation	Financial leasing	Other credit granting	Other financial intermediation n.e.c.
Incorporated enterprises limited by shares	916	300	0	589	27
Cooperative enterprises	165	122	0	43	0
Savings banks	31	31	0	0	0
Branches of non-EEA enterprises	96	96	0	0	0
Others	91	39	0	50	2
TOTAL	1 299	588	0	682	29

1) The scope of this data covers all establishments authorised by the Supervision Unit and are therefore superior to the ones based on regular transmission.

Source: Eurostat.

F Table 3: Number of enterprises broken down by size classes of balance sheet total, 1997

	Total credit institutions	Other monetary intermediation	Other credit granting	Other financial intermediation n.e.c.
> ECU 100 000 Mio	6	6	0	0
ECU 10 000-99 999 Mio	26	17	5	4
ECU 1 000-9 999 Mio	160	119	39	2
ECU 100-999 Mio	464	170	274	20
< ECU 99 Mio	461	105	353	3
TOTAL	1 117	417	671	29

Source: Eurostat.

F Table 4: Profit and loss account, 1997

(Mio ECU)

	Total credit institutions	Other monetary intermediation	Other credit granting	Other financial intermediation n.e.c.
Interest receivable and similar income	179 576	137 899	31 118	10 559
Interest receivable and similar income arising from fixed-income securities	18 874	16 018	1 992	864
Interest payable and similar charges	151 215	114 651	27 184	9 381
Interest payable and similar charges linked to debt securities in issue	33 334	21 641	4 373	7 320
Income from securities	5 206	4 270	855	81
Income from shares and other variable-yield securities	:	:	:	:
Commissions receivable	16 250	14 868	1 206	176
Commissions payable	3 909	3 507	368	34
Net profit or net loss on financial operations	11 221	10 472	613	136
Other operating income	8 010	5 325	1 860	826
General administrative expenses	39 533	34 901	3 670	962
Other administrative expenses	16 740	13 947	2 430	362
Other operating charges	6 122	4 626	1 192	305
Value adjustments and value readjustments in respect of loans and advances and provisions for contingent liabilities and for commitments	9 362	7 596	1 373	392
Other value adjustments and value readjustments	1 847	829	948	71
Profit or loss on ordinary activities	9 933	7 468	1 801	664
Extraordinary profit or loss	-598	-1 260	739	-77
All taxes (tax on profit or loss on ordinary activities, tax on extraordinary profit or loss, other taxes)	2 871	2 173	540	158
Profit or loss for the financial year	6 463	4 034	2 000	429

Source: Eurostat.

F Table 5: Balance sheet variables, 1997

(Mio ECU)

	Total credit institutions	Other monetary intermediation	Other credit granting	Other financial intermediation n.e.c.
Loans and advances to customers	1 098 435	862 416	131 107	104 912
Amounts owed to customers	909 125	886 466	21 481	1 178
Total of capital and reserves	118 091	84 420	29 065	4 605
Balance sheet total	2 878 482	2 422 888	297 421	158 173

Source: Eurostat.

F Table 6: Employment, 1997

	Total credit institutions	Other monetary intermediation	Other credit granting	Other financial intermediation n.e.c.
Persons employed	378 122	347 784	22 789	7 549

Source: Eurostat.

IRELAND

Ireland is the EU Member State where the total number of credit institutions has increased the most: 35.9 % between 1994 and 1997.

The jump in the number of credit institutions in Ireland is deemed to be the result of the success of the Irish Financial Services Center.

While credit institutions followed an upward trend, local units on the contrary have decreased (-28.9 %).

The average number of local units per enterprise amounts to 18 in 1997. In 1996, which is latest year available for financial data, the interest receivable and similar income amounted to an average ECU 157 Mio per enterprise.

Average personnel costs per persons employed amounted to ECU 42 539 in 1996.

IRL Table 1: Evolution of main indicators of total of credit institutions, 1994-1997

	1994	1995	1996	1997	Average annual growth, %
Number of enterprises	39	48	49	53	10.77
Number of local units	1 327	1 300	1 517	943	-10.76
Interest receivable and similar income (Mio ECU)	:	6 755	7 669	:	:
Commissions receivable (Mio ECU)	:	899	1 008	:	:
Production value (Mio ECU)	:	:	:	:	:
Value added at basic prices (Mio ECU)	:	:	:	:	:
Value added at factor cost (Mio ECU)	:	:	:	:	:
Personnel costs (Mio ECU)	:	1 306	1 374	:	:
Total purchases of goods and services (Mio ECU)	:	:	:	:	:
Number of persons employed	22 400	33 300	32 300	:	20.08
Number of employees	:	:	:	:	:

Source: Eurostat.

ITALY

The total number of credit institutions in Italy has decreased by 6.7 % between 1994 and 1997, while the number of local units has kept on in an increasing trend (+9.2 % in that period). This started in May 1990 with the revocation by the National Central Bank of the requirements for banks to submit evidence of economic necessity to widen their network. The result in 1997 is an average 27 local units per credit institution, this number being likely to go on increasing.

The average number of persons employed per enterprise has increased from 338 in 1994 to 345 in 1997, while production value has increased from ECU 45 to 53 Mio.

Most credit institutions in Italy are co-operative enterprises (654 entities), the majority of which, however, are only of local or regional importance. Considering the size, small enterprises prevail in the Italian banking system, as 84.8 % of the credit institutions have a balance sheet total below ECU 999 Mio.

On top of the 17 branches of non EEA enterprises, 52 branches of other EU Member states are also active in Italy.

Regarding the cross border activities carried out by Italian enterprises, Italy counts with 36 subsidiaries in other EEA Member States, 7 in Switzerland and 15 in other third countries as well as with a total of 50 branches in non-EEA countries.

I Table 1: Evolution of main indicators of total of credit institutions, 1994-1997

	1994	1995	1996	1997	Average annual growth, %
Number of enterprises	1 002	970	937	935	-2.28
Number of local units	23 120	23 440	24 406	25 245	2.97
Production value (Mio ECU)	45 478	43 053	49 110	49 549	2.90
Value added at basic prices (Mio ECU)	34 178	32 609	37 376	36 228	1.96
Value added at factor cost (Mio ECU)	34 178	32 609	37 376	36 228	1.96
Personnel costs (Mio ECU)	18 773	17 372	19 713	19 739	1.69
Total purchases of goods and services (Mio ECU)	11 299	10 444	11 734	13 321	5.64
Number of persons employed	338 937	337 893	331 136	322 924	-1.60

Source: Eurostat.

I Table 2: Number of enterprises broken down by legal status, 1997

	Incorporated enterprises limited by shares	Cooperative enterprises	Savings banks	Branches of non-EEA enterprises	Others	TOTAL
Total credit institutions	260	654	0	17	4	935

Source: Eurostat.

I Table 3: Number of enterprises broken down by size classes of balance sheet total, 1997

	> ECU 100 000 Mio	ECU 10 000-99 999 Mio	ECU 1 000-9 999 Mio	ECU 100-999 Mio	< ECU 99 Mio	TOTAL
Total credit institutions	0	25	117	338	455	935

Source: Eurostat.

I Table 4: Number of enterprises broken down by category of credit institutions, 1997

	Licensed banks	Financial leasing companies	Specialised credit granting institutions	Other credit institutions	Other financial intermediaries	TOTAL
Total credit institutions	931	0	0	4	0	935

Source: Eurostat.

I Table 5: Number and location of financial subsidiaries in other countries, 1997

	B	DK	D	EL	E	F	IRL	L	NL	A	P	FIN	S	UK	In other EEA	CH	USA	Japan	In other third coun- tries
Total credit institutions	1	0	3	0	2	8	3	11	0	1	0	0	0	2	5	7	0	0	15

Source: Eurostat.

I Table 6: Total number and location of branches in non-EEA countries, 1997

	Total	Switzerland	USA	Japan	In other third countries (rest of the world)
Total credit institutions	50	0	16	3	31

Source: Eurostat.

I Table 7: Number and origin of EEA branches, active in the host country, 1997

	Total EU-15	B	DK	D	EL	E	F	IRL	L	NL	A	P	FIN	S	UK	IS	NO	CH
Total credit institutions	52	2	0	7	1	10	6	0	9	1	1	0	0	0	15	0	0	0

Source: Eurostat.

I Table 8: Profit and loss account, 1997

(Mio ECU)

	Total credit institutions
Interest receivable and similar income	:
Interest receivable and similar income arising from fixed-income securities	9 295
Interest payable and similar charges	29 351
Interest payable and similar charges linked to debt securities in issue	12 955
Income from securities	15 802
Income from shares and other variable-yield securities	6 507
Commissions receivable	:
Commissions payable	9 046
Net profit or net loss on financial operations	3 255
Other operating income	3 782
General administrative expenses	51 339
Other administrative expenses	31 444
Other operating charges	157
Value adjustments and value readjustments in respect of loans and advances and provisions for contingent liabilities and for commitments	15 079
Other value adjustments and value readjustments	308
Profit or loss on ordinary activities	4 526
Extraordinary profit or loss	243
All taxes (tax on profit or loss on ordinary activities, tax on extraordinary profit or loss, other taxes)	3 778
Profit or loss for the financial year	596

Source: Eurostat.

I Table 9: Balance sheet variables, 1997

(Mio ECU)

	Loans and advances to customers	Amounts owed to customers	Total of capital and reserves	Balance sheet total
Total credit institutions	678 303	546 200	133 236	1 463 624

Source: Eurostat.

I Table 10: Total credit institutions: Breakdown by regions, 1997

Regions	Number of local units	Number of persons employed	Wages and salaries (Mio ECU)
Piemonte	2 236	:	:
Valle d'Aosta	81	:	:
Liguria	807	:	:
Lombardia	4 796	:	:
Trentino-Alto Adige	841	:	:
Veneto	2 583	:	:
Friuli-Venezia Giulia	735	:	:
Emilia-Romagna	2 623	:	:
Toscana	1 746	:	:
Umbria	403	:	:
Marche	792	:	:
Lazio	1 931	:	:
Abruzzo	477	:	:
Molise	106	:	:
Campania	1 348	:	:
Puglia	1 121	:	:
Basilicata	212	:	:
Calabria	408	:	:
Sicilia	1 609	:	:
Sardegna	390	:	:
TOTAL	25 245	322 924	:

Source: Eurostat.

LUXEMBOURG

There is a total of 215 enterprises active in Luxembourg in 1997, all being universal banks, since Luxembourg registers no specialised banks. Regarding the legal status of these credit institutions, 145 are incorporated enterprises limited by shares, 2 are co-operatives. 7 are branches from non-EEA enterprises (2 from Switzerland), while 62 are branches from other EEA Member States. Most of these branches originate from Germany (36), Italy (9), and France (7).

Domestic enterprises have dropped by 6 units from 1997 to 1998, and now account for 67.5 % of the total.

The number of local units, as well as that of all enterprises, is describing a decreasing trend. They have respectively dropped by 15.4 % and 5.9 % during the period 1994-1998.

Following the concentration process, the average number of persons employed per enterprise has increased from 79 in 1994, to 95 in 1998.

In 1997, the average balance total per enterprise has amounted to ECU 2 391 Mio. Interest and commission received per person employed has increased from ECU 1.7 Mio in 1994 to ECU 2 Mio in 1998.

L Table 1: Evolution of main indicators of total of credit institutions, 1994-1997

	1994	1995	1996	1997	1998	Average annual growth, %
Number of enterprises	222	220	221	215	209	-1.50
Number of local units ¹	630	611	605	564	533	-4.09
Interest receivable and similar income (Mio ECU) ²	29 346	34 812	33 172	36 021	40 131	8.14
Commissions receivable (Mio ECU) ³	:	:	:	:	:	:
Personnel costs (Mio ECU)	1 109	1 186	1 223	1 252	1 298	4.01
Number of persons employed	17 638	18 255	18 582	19 135	19 814	2.95

1) 1997 Number of agencies in Luxembourg, open to the public.

2) Includes Commissions receivable.

3) Commissions receivable are included in Interest receivable and similar income.

Source: Eurostat.

L Table 2: Number of enterprises broken down by legal status, 1997

	Incorporated enterprises limited by shares ¹	Cooperative enterprises	Savings banks	Branches of non-EEA enterprises	Others ²	TOTAL
Total credit institutions	145	2	:	7	61	215

1) 145 incorporated enterprises of which 2 establishments of Luxembourgish public status.

2) Branches of EEA credit institutions.

Source: Eurostat.

L Table 3: Number of enterprises broken down by size classes of balance sheet total, 1997

	> ECU 100 000 Mio	ECU 10 000-99 999 Mio	ECU 1 000-9 999 Mio	ECU 100-999 Mio	< ECU 99 Mio	TOTAL
Total credit institutions	0	13	74	100	28	215

Source: Eurostat.

L Table 4: Total number and location of branches in non-EEA countries, 1997

	Total	Switzerland	USA	Japan	In other third countries (rest of the world)
Total credit institutions	10	3	0	0	7

Source: Eurostat.

L Table 5: Number and origin of EEA branches, active in the host country, 1997

	Total EU-15	B	DK	D	EL	E	F	IRL	I	NL	A	P	FIN	S	UK	IS	NO	CH
Total credit institutions	62	1	0	36	0	0	7	0	9	0	0	2	0	2	5	0	0	2

Source: Eurostat.

L Table 6: Profit and loss account, 1997

(Mio ECU)

	Total credit institutions
Interest receivable and similar income ¹	36 021
Interest payable and similar charges	30 629
Commissions receivable ²	:
General administrative expenses	914
All taxes (tax on profit or loss on ordinary activities, tax on extraordinary profit or loss, other taxes)	898
Profit or loss for the financial year	1 773

1) Includes Commissions receivable.

2) Included in Interest receivable and similar income.

Source: Eurostat.

L Table 7: Balance sheet variables, 1997

(Mio ECU)

	Loans and advances to customers	Amounts owed to customers	Total of capital and reserves	Balance sheet total
Total credit institutions	96 312	193 260	:	514 108

Source: Eurostat.

THE NETHERLANDS

The total number of credit institutions has decreased by 4 units, to 169 in 1997 compared to 1994. 127 of them are incorporated enterprises limited by shares, 26 are savings banks, 12 are branches of non-EEA enterprises, 2 are co-operatives ⁽¹⁴⁾ and 2 are classified as 'others' ⁽¹⁵⁾. 11 branches from other EU countries are also active in the Netherlands as well as 1 originating in Switzerland. There is an average number of 42 local units per credit institution.

In 1997, the average number of persons employed per institution is of 670 against 619 in 1994. The production value per credit institution has increased from ECU 76 Mio in 1994 to ECU 103 Mio.

Average balance sheet total per enterprise amounts to ECU 4 081 Mio. Dutch banks profitability reaches 9.8 % according to the average return on equity ⁽¹⁶⁾, and 0.65 % according to the average return on assets ⁽¹⁷⁾.

The biggest Dutch credit institution controls half of its domestic market, but only 2 % of deposits in the 11-nation Euro zone.

NL Table 1: Evolution of main indicators of total of credit institutions, 1994-1997

	1994	1995	1996	1997	Average annual growth, %
Number of enterprises ¹	173	174	172	169	-0.78
Number of local units ²	7 269	6 729	6 822	7 161	-0.50
Interest receivable and similar income (Mio ECU) ²	34 132	36 178	35 475	38 339	3.95
Commissions receivable (Mio ECU)	2 338	2 393	2 643	3 262	11.74
Production value (Mio ECU)	13 221	14 444	15 866	17 448	9.69
Value added at basic prices (Mio ECU)	9 755	10 619	11 282	12 108	7.47
Value added at factor cost (Mio ECU)	9 755	10 619	11 282	12 108	7.47
Personnel costs (Mio ECU)	4 239	4 368	4 433	4 702	3.52
Total purchases of goods and services (Mio ECU)	3 466	3 824	4 584	5 340	15.50
Number of persons employed	107 100	105 000	107 700	113 200	1.86
Number of employees	107 100	105 000	107 700	113 200	1.86

1) 1994-1997 concerns enterprise groups.

2) 1994-1996 estimates.

Source: Eurostat.

(14) 1 of them is Rabobank, which is a group of composed of over 400 more or less independent co-operative banks.

(15) All are classified within the NACE Rev. 1 class 65.12.

(16) Defined as profit and loss on ordinary activities, minus all taxes, divided by total of capital and reserves.

(17) Defined as profit and loss on ordinary activities, minus all taxes, divided by balance sheet total.

NL Table 2: Number of enterprises broken down by legal status, 1997

	Total credit institutions	Other monetary intermediation	Financial leasing	Other credit granting	Other financial intermediation n.e.c.
Incorporated enterprises limited by shares	127	127	0	0	0
Cooperative enterprises	2	2	0	0	0
Savings banks	26	26	0	0	0
Branches of non-EEA enterprises	12	12	0	0	0
Others	2	2	0	0	0
TOTAL	169	169	0	0	0

Source: Eurostat.

NL Table 3: Number and origin of EEA branches, active in the host country, 1997

	Total EU-15	B	DK	D	EL	E	F	IRL	I	L	A	P	FIN	S	UK	IS	NO	CH
Total credit institutions	11	1	0	2	1	0	3	0	1	0	0	0	0	0	3	0	0	1

Source: Eurostat.

NL Table 4: Profit and loss account, 1997

(Mio ECU)

	Total credit institutions
Interest receivable and similar income	38 339
Interest receivable and similar income arising from fixed-income securities	:
Interest payable and similar charges	27 658
Interest payable and similar charges linked to debt securities in issue	:
Income from securities	1 733
Income from shares and other variable-yield securities	309
Commissions receivable	3 262
Commissions payable	:
Net profit or net loss on financial operations	1 003
Other operating income	769
General administrative expenses	10 024
Other administrative expenses	5 322
Other operating charges	18
Value adjustments and value readjustments in respect of loans and advances and provisions for contingent liabilities and for commitments	911
Other value adjustments and value readjustments	903
Profit or loss on ordinary activities	5 593
Extraordinary profit or loss	12
All taxes (tax on profit or loss on ordinary activities, tax on extraordinary profit or loss, other taxes)	1 113
Profit or loss for the financial year	4 490

Source: Eurostat.

NL Table 5: Balance sheet variables, 1997

(Mio ECU)

	Loans and advances to customers	Amounts owed to customers	Total of capital and reserves	Balance sheet total
Total credit institutions	411 420	336 389	45 713	689 617

Source: Eurostat.

NL Table 6: Total credit institutions: Breakdown by regions, 1997

Regions	Number of local units	Number of persons employed	Wages and salaries (Mio ECU)
Groningen	:	2 500	:
Friesland	:	4 700	:
Drenthe	:	1 800	:
Overijssel	:	5 200	:
Gelderland	:	10 500	:
Flevoland	:	1 100	:
Utrecht	:	10 200	:
Noord-Holland	:	35 700	:
Zuid-Holland	:	19 000	:
Zeeland	:	2 100	:
Noord-Brabant	:	15 300	:
Limburg (NL)	:	5 100	:
TOTAL	7 161	113 200	:

Source: Eurostat.

AUSTRIA

Inconsistencies due to a still incomplete harmonisation of methodological concepts and definitions are found for Austria regarding the indicator 'Number of persons employed' in 1995 in Table 1 and Table 13.

989 credit institutions (all of which are licensed banks) cover the Austrian territory in 1997. Most of them are co-operative enterprises (749) and incorporated enterprises limited by shares (142).

Credit institutions authorised in Austria are classified among NACE Rev. 1 classes 65.12, 65.22 and 65.23.

Between 1994 and 1997, the total number of enterprises has decreased (-6.1 %), while the average number of local units and of persons employed per enterprise has slightly risen (of 5.4 % and 4.3 % respectively). On top of the 2 branches from non-EEA countries, there are 6 branches of other EU enterprises active in Austria. Their interest receivable and similar income amounts to ECU 104 Mio and their consolidated balance sheet total to ECU 2 908 Mio. If we compare these figures with ECU 22 232 Mio and ECU 431 570 Mio for all licensed banks, it appears that their importance is marginal.

Concerning the international activities of Austrian enterprises, data on non-EEA branches are not available. However, Austrian enterprises are represented abroad by 6 subsidiaries in other EU countries, 2 in Switzerland and USA, as well as 38 in the rest of the world.

A Table 1: Evolution of main indicators of total of credit institutions, 1994-1997

	1994	1995	1996	1997	Average annual growth, %
Number of enterprises	1 053	1 041	1 019	989	-2.07
Number of local units	5 736	5 727	5 713	5 680	-0.33
Interest receivable and similar income (Mio ECU)	22 684	24 386	22 479	22 232	-0.67
Commissions receivable (Mio ECU)	:	:	:	2 722	:
Production value (Mio ECU)	:	:	:	11 910	:
Value added at basic prices (Mio ECU)	:	:	:	8 165	:
Value added at factor cost (Mio ECU)	:	:	:	8 165	:
Personnel costs (Mio ECU)	3 742	4 103	4 159	4 150	3.51
Total purchases of goods and services (Mio ECU)	:	:	:	3 745	:
Number of persons employed	76 630	76 257	75 716	75 076	-1.02
Number of employees	:	:	:	75 076	:

Source: Eurostat.

A Table 2: Number of enterprises broken down by legal status, 1997

	Total credit institutions	Other monetary intermediation	Financial leasing	Other credit granting	Other financial intermediation n.e.c.
Incorporated enterprises limited by shares	142	104	0	21	17
Cooperative enterprises	749	749	0	0	0
Savings banks	51	51	0	0	0
Branches of non-EEA enterprises	2	2	0	0	0
Others	45	3	0	18	24
TOTAL	989	909	0	39	41

Source: Eurostat.

A Table 3: Number of enterprises broken down by size classes of balance sheet total, 1997

	Total credit institutions	Other monetary intermediation	Other credit granting	Other financial intermediation n.e.c.
> ECU 100 000 Mio	0	0	0	0
ECU 10 000-99 999 Mio	7	7	0	0
ECU 1 000-9 999 Mio	35	32	3	0
ECU 100-999 Mio	273	250	18	5
< ECU 99 Mio	674	620	18	36
TOTAL	989	909	39	41

Source: Eurostat.

A Table 4: Number and location of financial subsidiaries in other countries, 1997

	B	DK	D	EL	E	F	IRL	I	L	NL	P	FIN	S	UK	In other EEA	CH	USA	Japan	In other third coun- tries
Total credit institutions	0	0	2	0	0	0	0	2	0	0	0	0	0	2	0	2	2	0	38
Other monetary intermediation	0	0	2	0	0	0	0	2	0	0	0	0	0	2	0	2	2	0	37
Other credit granting	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1

Source: Eurostat.

A Table 5: Number and origin of EEA branches, active in the host country, 1997

	Total EU-15	B	DK	D	EL	E	F	IRL	I	L	NL	P	FIN	S	UK	IS	NO	CH
Total credit institutions	6	0	0	2	0	0	0	0	1	0	1	0	0	0	2	0	0	0
Other monetary intermediation	5	0	0	2	0	0	0	0	1	0	1	0	0	0	1	0	0	0
Other credit granting	1	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0

Source: Eurostat.

A Table 6: Interest receivable and similar income, business written by EEA branches, in the host country, 1997

(Mio ECU)

	B	DK	D	EL	E	F	IRL	I	L	NL	P	FIN	S	UK	IS	NO	CH
Total credit institutions	0	0	c	0	0	0	0	c	0	c	0	0	0	c	0	0	0
Other monetary intermediation	0	0	c	0	0	0	0	c	0	c	0	0	0	c	0	0	0
Other credit granting	0	0	0	0	0	0	0	0	0	0	0	0	0	c	0	0	0

Source: Eurostat.

A Table 7: Balance sheet total, business written by EEA branches, in the host country, 1997

(Mio ECU)

	B	DK	D	EL	E	F	IRL	I	L	NL	P	FIN	S	UK	IS	NO	CH
Total credit institutions	0	0	c	0	0	0	0	c	0	c	0	0	0	c	0	0	0
Other monetary intermediation	0	0	c	0	0	0	0	c	0	c	0	0	0	c	0	0	0
Other credit granting	0	0	0	0	0	0	0	0	0	0	0	0	0	c	0	0	0

Source: Eurostat.

A Table 8: Profit and loss account, 1997

(Mio ECU)

	Total credit institutions	Other monetary intermediation	Other credit granting	Other financial intermediation n.e.c.
Interest receivable and similar income	22 232	20 840	1 341	50
Interest receivable and similar income arising from fixed-income securities	3 006	2 935	62	9
Interest payable and similar charges	15 772	14 566	1 164	42
Interest payable and similar charges linked to debt securities in issue	2 943	2 308	624	10
Income from securities	947	912	15	20
Income from shares and other variable-yield securities	415	396	5	14
Commissions receivable	2 722	2 349	194	179
Commissions payable	587	417	97	73
Net profit or net loss on financial operations	613	567	43	3
Other operating income	1 168	972	181	15
General administrative expenses	6 560	6 248	228	84
Other administrative expenses	2 411	2 268	105	37
Other operating charges	748	639	103	7
Value adjustments and value readjustments in respect of loans and advances and provisions for contingent liabilities and for commitments	1 829	1 795	32	1
Other value adjustments and value readjustments	-181	-183	-1	3
Profit or loss on ordinary activities	1 812	1 628	132	52
Extraordinary profit or loss	-167	-151	-14	-2
All taxes (tax on profit or loss on ordinary activities, tax on extraordinary profit or loss, other taxes)	373	317	45	11
Profit or loss for the financial year	1 272	1 160	73	38

Source: Eurostat.

A Table 9: Balance sheet variables, 1997

(Mio ECU)

	Total credit institutions	Other monetary intermediation	Other credit granting	Other financial intermediation n.e.c.
Loans and advances to customers	220 606	212 584	7 420	602
Amounts owed to customers	130 363	122 191	7 867	305
Total of capital and reserves	28 649	27 483	938	228
Balance sheet total	431 570	400 212	29 627	1 731

Source: Eurostat.

Return on equity of all credit institutions is of 5 % and return on assets of 0.3 %.

A Table 10: Balance sheet total broken down by category of credit institutions, 1997

(Mio ECU)

	Total credit institutions	Other monetary intermediation	Other credit granting	Other financial intermediation n.e.c.
Licensed banks	431 570	400 212	29 627	1 731

Source: Eurostat.

A Table 11: Employment, 1997

	Total credit institutions	Other monetary intermediation	Other credit granting	Other financial intermediation n.e.c.
Persons employed	75 076	75 076	0	0
Employees	75 076	72 517	1 988	571
Employees in full-time equivalent units	70 706	68 236	1 907	563

Source: Eurostat.

A Table 12: Macroeconomic variables, 1997

(Mio ECU)

	Total credit institutions	Other monetary intermediation	Other credit granting	Other financial intermediation n.e.c.
Production value	11 910	11 075	611	225
Value added at basic prices	8 165	7 751	305	108
Value added at factor costs	8 165	7 751	305	108
Total purchases of goods and services	3 745	3 324	305	116

Source: Eurostat.

A Table 13: Total credit institutions: Breakdown by regions, 1997

Regions	Number of local units	Number of persons employed ¹	Wages and salaries (Mio ECU) ¹
Burgenland	285	1 786	57
Niederösterreich	1 243	8 932	279
Wien	749	29 151	1 155
Kärnten	418	4 595	151
Steiermark	739	8 012	263
Oberösterreich	1 004	11 023	347
Salzburg	402	5 763	194
Tirol	585	6 833	212
Vorarlberg	255	3 038	101
TOTAL	5 680	79 133	2 760

1) 1995 data.

Source: Eurostat.

Regional data show a greater concentration of local units in Nieder and Oberösterreich, but the size of the units is generally rather similar as far as the number of persons employed is concerned. As a matter of fact, local units in most regions have an average of between 11 and 14 persons employed. Exceptions are Burgenland and Niederösterreich, with respectively 6 and 7 persons employed per unit on average, and Wien with 39.

Average wage and salaries per person employed amount to ECU 34 878 with highs of ECU 39 621 for Wien.

PORTUGAL

The total number of credit institutions in Portugal has diminished by 11.2 % during the period 1994-1997. The remaining 300 enterprises are made up of 109 incorporated enterprises limited by shares, 165 co-operatives, 6 savings banks, 2 branches of non-EEA enterprises and 18 other enterprises. They are classified within NACE Rev. 1 65.12, 65.21 and 65.22 classes. There is a total of 18 branches from other EU countries active in Portugal, mainly from Spain (8) and France (6).

The network of Portuguese credit institutions has developed from 12 to 17 local units per enterprise. The number of persons employed has remained stable in absolute terms, but looking at the average number of persons employed per enterprise, it appears it has increased from 193 to 217 during the period of reference. Average production value amounts in 1997 to an average ECU 21 Mio per enterprise, compared to ECU 14 Mio in 1994.

Banking profitability indicators are of 8.1 % concerning the ROE ⁽¹⁸⁾ and of 0.5 % concerning the ROA ⁽¹⁹⁾.

The average balance sheet total of credit institutions amounts to ECU 769 Mio, 270 out of the 300 having in fact a balance sheet total under ECU 999 Mio.

P Table 1: Evolution of main indicators of total of credit institutions, 1994-1997

	1994	1995	1996	1997	Average annual growth, %
Number of enterprises	338	321	311	300	-3.90
Number of local units	4 046	4 420	4 691	5 044	7.63
Interest receivable and similar income (Mio ECU)	11 503	13 307	13 002	12 735	3.45
Commissions receivable (Mio ECU)	511	561	629	852	18.57
Production value (Mio ECU)	4 667	5 085	5 664	6 403	11.12
Value added at basic prices (Mio ECU)	3 654	3 922	4 309	4 966	10.76
Value added at factor cost (Mio ECU)	3 654	3 922	4 309	4 966	10.76
Personnel costs (Mio ECU)	1 608	1 743	1 852	1 978	7.15
Total purchases of goods and services (Mio ECU)	1 013	1 163	1 354	1 437	12.37
Number of persons employed	65 218	65 485	65 722	65 217	0.00
Number of employees	65 218	65 485	65 722	65 217	0.00

Source: Eurostat.

⁽¹⁸⁾ Defined as profit and loss on ordinary activities, minus all taxes, divided by total of capital and reserves.

⁽¹⁹⁾ Defined as profit and loss on ordinary activities, minus all taxes, divided by balance sheet total.

P Table 2: Number of enterprises broken down by legal status, 1997

	Total credit institutions	Other monetary intermediation	Financial leasing	Other credit granting	Other financial intermediation n.e.c.
Incorporated enterprises limited by shares	109	44	29	36	0
Cooperative enterprises	165	165	0	0	0
Savings banks	6	6	0	0	0
Branches of non-EEA enterprises	2	2	0	0	0
Others (EEA branches)	18	15	0	3	0
TOTAL	300	232	29	39	0

Source: Eurostat.

P Table 3: Number of enterprises broken down by size classes of balance sheet total, 1997

	Total credit institutions	Other monetary intermediation	Financial leasing	Other credit granting
> ECU 100 000 Mio	0	0	0	0
ECU 10 000-99 999 Mio	5	5	0	0
ECU 1 000-9 999 Mio	25	25	0	0
ECU 100-999 Mio	54	29	14	11
< ECU 99 Mio	216	173	15	28
TOTAL	300	232	29	39

Source: Eurostat.

P Table 4: Number of enterprises broken down by category of credit institutions, 1997

	Total credit institutions	Other monetary intermediation	Financial leasing	Other credit granting
Licensed banks	232	232	0	0
Financial leasing companies	29	0	29	0
Other credit institutions	39	0	0	39
TOTAL	300	232	29	39

Source: Eurostat.

P Table 5: Total number and location of branches in non-EEA countries, 1997

	Total	Switzerland	USA	Japan	In other third countries (rest of the world)
Total credit institutions	28	1	3	0	24

Source: Eurostat.

P Table 6: Number and origin of EEA branches, active in the host country, 1997

	Total EU-15	B	DK	D	EL	E	F	IRL	I	L	NL	A	FIN	S	UK	IS	NO	CH
Total credit institutions	18	1	0	0	0	8	6	0	0	0	1	0	0	0	2	0	0	0
Other monetary intermediation	15	1	0	0	0	6	5	0	0	0	1	0	0	0	2	0	0	0
Financial leasing	1	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0
Other credit granting	2	0	0	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0

Source: Eurostat.

P Table 7: Interest receivable and similar income, business written by EEA branches, in the host country, 1997

(Mio ECU)

	B	DK	D	EL	E	F	IRL	I	L	NL	A	FIN	S	UK	IS	NO	CH
Total credit institutions	c	0	0	0	44	59	0	0	0	c	0	0	0	c	0	0	0
Other monetary intermediation	c	0	0	0	c	c	0	0	0	c	0	0	0	c	0	0	0
Financial leasing	0	0	0	0	c	0	0	0	0	0	0	0	0	0	0	0	0
Other credit granting	0	0	0	0	c	c	0	0	0	0	0	0	0	0	0	0	0

Source: Eurostat.

P Table 8: Profit and loss account, 1997

(Mio ECU)

	Total credit institutions	Other monetary intermediation	Financial leasing	Other credit granting
Interest receivable and similar income	12 735	12 162	324	249
Interest receivable and similar income arising from fixed-income securities	2 026	2 017	8	1
Interest payable and similar charges	8 583	8 317	172	95
Interest payable and similar charges linked to debt securities in issue	599	575	0	24
Income from securities	249	248	0	1
Income from shares and other variable-yield securities	57	57	0	0
Commissions receivable	852	821	1	30
Commissions payable	143	115	12	17
Net profit or net loss on financial operations	674	673	1	-1
Other operating income	477	437	24	16
General administrative expenses	3 191	3 051	62	78
Other administrative expenses	1 212	1 129	35	48
Other operating charges	82	61	16	5
Value adjustments and value readjustments in respect of loans and advances and provisions for contingent liabilities and for commitments	-1 006	-932	-36	-38
Other value adjustments and value readjustments	-463	-451	-5	-7
Profit or loss on ordinary activities	1 518	1 415	47	56
Extraordinary profit or loss	228	212	13	2
All taxes (tax on profit or loss on ordinary activities, tax on extraordinary profit or loss, other taxes)	375	331	22	22
Profit or loss for the financial year	1 371	1 296	39	35

Source: Eurostat.

P Table 9: Balance sheet variables, 1997

(Mio ECU)

	Total credit institutions	Other monetary intermediation	Financial leasing	Other credit granting
Loans and advances to customers	96 154	90 284	3 385	2 485
Amounts owed to customers	122 994	122 436	376	182
Total of capital and reserves	14 042	13 249	471	323
Balance sheet total	230 774	224 364	3 760	2 650

Source: Eurostat.

P Table 10: Balance sheet total broken down by category of credit institutions, 1997

(Mio ECU)

	Total credit institutions	Other monetary intermediation	Financial leasing	Other credit granting
Licensed banks	224 364	224 364	0	0
Financial leasing companies	3 760	0	3 760	0
Other credit institutions	2 650	0	0	2 650
TOTAL	230 774	224 364	3 760	2 650

Source: Eurostat.

P Table 11: Employment, 1997

	Total credit institutions	Other monetary intermediation	Financial leasing	Other credit granting
Persons employed	65 217	63 178	844	1 195
Employees in full-time equivalent units	64 151	62 124	841	1 186

Source: Eurostat.

P Table 12: Macroeconomic variables, 1997

(Mio ECU)

	Total credit institutions	Other monetary intermediation	Financial leasing	Other credit granting
Production value	6 403	6 024	178	200
Value added at basic prices	4 966	4 720	115	131
Value added at factor costs	4 966	4 720	115	131
Total purchases of goods and services	1 437	1 304	63	70

Source: Eurostat.

P Table 13: Total credit institutions: Breakdown by regions, 1997

Regions	Number of local units	Number of persons employed	Wages and salaries (Mio ECU)
Norte	1 512	17 214	363
Centro (P)	849	6 651	121
Lisboa e Vale do Tejo	1 852	35 080	858
Alentejo	300	2 148	38
Algarve	266	1 888	34
Açores	134	1 288	23
Madeira	131	948	16
TOTAL	5 044	65 217	1 453

Source: Eurostat.

FINLAND

The 367 Finnish credit institutions registered in 1997 are mostly co-operative enterprises (80.4 %). The rest is made of savings banks (10.9 %) and incorporated enterprises limited by shares (8.2 %). There is only one branch of a non-EEA enterprise active in Finland ⁽²⁰⁾, while there are 9 branches (5 Swedish, 2 Danish, 1 French and 1 British) from other EU Member States.

Most credit institutions are classified under NACE Rev. 1 class 65.12 (93.7 %), whereas the rest is listed under other credit granting establishments (NACE 65.22).

The network of Finnish credit institutions has dropped from an average 6 local units per enterprise in 1994 to less than 5 in 1997. The average number of persons employed per enterprise has followed the same decline, from an average of 101 in 1994 to 77 in 1997. ⁽²¹⁾

FIN Table 1: Evolution of main indicators of other monetary intermediation institutions, 1994-1997

	1994	1995	1996	1997	Average annual growth, %
Number of enterprises	358	349	347	344	-1.32
Number of local units ¹	2 188	1 878	1 775	1 660	-8.79
Interest receivable and similar income (Mio ECU)	:	5 813	4 943	4 631	-10.75
Commissions receivable (Mio ECU)	:	723	812	785	4.16
Production value (Mio ECU)	:	3 140	3 392	3 410	4.22
Value added at basic prices (Mio ECU)	1 754	1 684	1 811	2 170	7.35
Value added at factor cost (Mio ECU)	:	1 786	2 064	2 170	10.21
Personnel costs (Mio ECU)	1 092	1 137	1 050	786	-10.38
Total purchases of goods and services (Mio ECU)	:	1 353	1 328	1 240	-4.27
Number of persons employed ²	36 000	31 758	27 929	26 332	-9.90

1) 1995-1997 including representative offices abroad.

2) 1995-1997 including representative offices and subsidiaries.

Source: Eurostat.

⁽²⁰⁾ Financial data concerning this branch are not provided.

⁽²¹⁾ The data in Table 1 refer to NACE Rev. 1 class 65.12 only while the other tables also include NACE Rev. 1 class 65.22.

FIN Table 2: Number of enterprises broken down by legal status, 1997

	Total credit institutions	Other monetary intermediation	Financial leasing	Other credit granting	Other financial intermediation n.e.c.
Incorporated enterprises limited by shares	30	9	0	21	0
Cooperative enterprises	295	294	0	1	0
Savings banks	40	40	0	0	0
Branches of non-EEA enterprises	1	1	0	0	0
Others	1	0	0	1	0
TOTAL	367	344	0	23	0

Source: Eurostat.

FIN Table 3: Number of enterprises broken down by size classes of balance sheet total, 1997

	Total credit institutions	Other monetary intermediation	Other credit granting
> ECU 100 000 Mio	0	0	0
ECU 10 000-99 999 Mio	2	2	0
ECU 1 000-9 999 Mio	7	3	4
ECU 100-999 Mio	61	50	11
< ECU 99 Mio	297	289	8
TOTAL	367	344	23

Source: Eurostat.

Most enterprises are of limited size. As a matter of fact, 297 of them have a balance sheet total under ECU 99 Mio. Most co-operatives are indeed of only local importance, which explains their small market share. The average balance sheet total per enterprise amounts to ECU 342 Mio.

FIN Table 4: Number of enterprises broken down by category of credit institutions, 1997

	Total credit institutions	Other monetary intermediation	Other credit granting
Licensed banks	344	344	0
Financial leasing companies	0	0	0
Specialised credit granting institutions	0	0	0
Other credit institutions	23	0	23
Other financial intermediaries	0	0	0
TOTAL	367	344	23

Source: Eurostat.

FIN Table 5: Number and location of financial subsidiaries in other countries, 1997

	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	S	UK	In other EEA	CH	USA	Japan	In other third countries
Total credit institutions	0	0	0	0	0	0	0	0	2	0	0	0	0	0	0	0	1	0	3
Other monetary intermediation	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	1	0	3
Other financial intermediation n.e.c.	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0

Source: Eurostat.

FIN Table 6: Total number and location of branches in non-EEA countries, 1997

	Total	Switzerland	USA	Japan	In other third countries (rest of the world)
Total credit institutions	6	0	2	0	4

Source: Eurostat.

FIN Table 7: Number and origin of EEA branches, active in the host country, 1997

	Total EU-15	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	S	UK	IS	NO	CH
Total credit institutions	9	0	2	0	0	0	1	0	0	0	0	0	0	5	1	0	0	0
Other monetary intermediation	5	0	2	0	0	0	1	0	0	0	0	0	0	2	0	0	0	0
Other credit granting	4	0	0	0	0	0	0	0	0	0	0	0	0	3	1	0	0	0

Source: Eurostat.

FIN Table 8: Interest receivable and similar income, business written by EEA branches, in the host country, 1997

(Mio ECU)

	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	S	UK	IS	NO	CH
Total credit institutions	0	c	0	0	0	c	0	0	0	0	0	0	9	c	0	0	0

Source: Eurostat.

FIN Table 9: Profit and loss account, 1997

(Mio ECU)

	Total credit institutions	Other monetary intermediation	Other credit granting
Interest receivable and similar income	4 631 ¹	4 631	:
Interest receivable and similar income arising from fixed-income securities	4 476	3 658	818
Interest payable and similar charges	3 473	2 685	788
Interest payable and similar charges linked to debt securities in issue	1 256	639	617
Income from securities	113	100	13
Income from shares and other variable-yield securities	35	33	1
Commissions receivable	785 ¹	785	:
Commissions payable	112	71	41
Net profit or net loss on financial operations	403	297	105
Other operating income	305	280	25
General administrative expenses	1 463	1 342	121
Other administrative expenses	613	558	55
Other operating charges	633	609	24
Value adjustments and value readjustments in respect of loans and advances and provisions for contingent liabilities and for commitments	388	357	30
Other value adjustments and value readjustments	191	175	16
Profit or loss on ordinary activities	1 088	851	237
Extraordinary profit or loss	1 222	985	237
All taxes (tax on profit or loss on ordinary activities, tax on extraordinary profit or loss, other taxes)	167	131	35
Profit or loss for the financial year	966	839	127

1) Including Other monetary intermediation only.

Source: Eurostat.

FIN Table 10: Balance sheet variables, 1997

(Mio ECU)

	Total credit institutions	Other monetary intermediation	Other credit granting
Loans and advances to customers	61 627	49 361	12 266
Amounts owed to customers	56 951	56 611	340
Total of capital and reserves	11 280	9 866	1 414
Balance sheet total	125 495	106 122	19 373

Source: Eurostat.

Considering other monetary intermediation, Finnish banking profitability ratios are 7.3 % as far as the ROE ⁽²²⁾ is concerned and 0.68 % when it comes to the ROA ⁽²³⁾. As for other credit granting, ROE is 14.3 % and ROA registers 1.04 %.

FIN Table 11: Balance sheet total broken down by category of credit institutions, 1997

(Mio ECU)

	Total credit institutions	Other monetary intermediation	Other credit granting
Licensed banks	106 129	106 129	:
Other credit institutions	19 373	:	19 373
TOTAL	125 502	106 129	19 373

Source: Eurostat.

FIN Table 12: Employment, 1997

	Total credit institutions	Other monetary intermediation	Other credit granting
Persons employed	26 332	26 332	:
Employees in full-time equivalent units	24 983	23 442	1 541

Source: Eurostat.

(22) Defined as profit and loss on ordinary activities, minus all taxes, divided by total of capital and reserves.

(23) Defined as profit and loss on ordinary activities, minus all taxes, divided by balance sheet total.

SWEDEN

Sweden counts 210 credit institutions, distributed among NACE Rev. 1 classes 65.12 and 65.22.

Enterprises classified under 65.12 consist of domestic bank companies, including subsidiaries and branches of non-resident bank (e.g. 17 branches of banks from EEA and Switzerland) as well as savings banks (87). There is no separate identification of financial leasing companies, as this activity can be carried out either by banks or, more likely, by credit market companies. The latter are classified within NACE 65.22 and consist of housing credit institutions, leasing, factoring or consumer credit institutions. The network of local units counts with 12 units per credit institution. Each enterprise employs an average of 226 persons.

Most institutions (180) have a balance sheet total under ECU 999 Mio, while the average balance sheet total per enterprise amounts to ECU 2 036 Mio.

The 124 licensed banks classified within NACE 65.12 account for 58 % of the aggregated balance sheet total, with an average ECU 2 000 Mio per enterprise. 86 institutions classified within other credit granting account for 42 % of the total, their average total balance sheet being of ECU 2 089 Mio per enterprise.

The consolidated profitability indicators are of 6.6 % for the return on equity ⁽²⁴⁾ and of 0.57 % for the return on assets ⁽²⁵⁾.

S Table 1: Evolution of main indicators of total of credit institutions, 1994-1997

	1994	1995	1996	1997	Average annual growth, %
Number of enterprises	238	239	246	210	-4.09
Number of local units ¹	2 690	2 601	2 530	2 522	-2.13
Interest receivable and similar income (Mio ECU)	27 930	29 641	29 966	28 179	0.30
Commissions receivable (Mio ECU)	1 631	1 737	1 946	2 360	13.11
Production value (Mio ECU)	6 853	7 112	7 328	6 585	-1.32
Value added at basic prices (Mio ECU)	4 499	4 762	4 988	4 145	-2.69
Personnel costs (Mio ECU)	1 903	2 179	2 497	2 443	8.68
Number of persons employed	47 816	47 829	47 702	47 437	-0.26

1) Local units refer only to licensed banks.

Source: Eurostat.

⁽²⁴⁾ Defined as profit and loss on ordinary activities, minus all taxes, divided by total of capital and reserves.

⁽²⁵⁾ Defined as profit and loss on ordinary activities, minus all taxes, divided by balance sheet total.

S Table 2: Number of enterprises broken down by legal status, 1997

	Total credit institutions	Other monetary intermediation	Financial leasing	Other credit granting	Other financial intermediation n.e.c.
Incorporated enterprises limited by shares	103	20	0	83	:
Cooperative enterprises	0	0	0	0	:
Savings banks	87	87	0	0	:
Branches of non-EEA enterprises	0	0	0	0	:
Others	20	17 ¹	0	3 ²	:
TOTAL	210	124	0	86	:

1) Including 17 branches of enterprises from EEA and Switzerland.

2) Refers to enterprises in form of associations.

Source: Eurostat.

S Table 3: Number of enterprises broken down by size classes of balance sheet total, 1997

	Total credit institutions	Other monetary intermediation	Other credit granting
> ECU 100 000 Mio	0	0	0
ECU 10 000-99 999 Mio	12	4	8
ECU 1 000-9 999 Mio	18	6	12
ECU 100-999 Mio	71	43	28
< ECU 99 Mio	109	71	38
TOTAL	210	124	86

Source: Eurostat.

S Table 4: Number of enterprises broken down by category of credit institutions, 1997

	Total credit institutions	Other monetary intermediation	Other credit granting
Licensed banks	124	124 ¹	0
Specialised credit granting institutions	26	0	26
Other credit institutions	60	0	60
Other financial intermediaries	0	0	0
TOTAL	210	124	86

1) Including 17 branches of enterprises from EEA and Switzerland.

Source: Eurostat.

S Table 5: Total number and location of branches in non-EEA countries, 1997

	Total	Switzerland	USA	Japan	In other third countries (rest of the world)
Total credit institutions	13	0	3	1	9

Source: Eurostat.

S Table 6: Number and origin of EEA branches, active in the host country, 1997

	Total EU-15	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	UK	IS	NO	CH
Total credit institutions	14	0	2	0	0	0	2	0	0	1	1	0	0	2	6	0	2	1
Other monetary intermediation	14	0	2	0	0	0	2	0	0	1	1	0	0	2	6	0	2	1

Source: Eurostat.

S Table 7: Interest receivable and similar income, business written by EEA branches, in the host country, 1997

(Mio ECU)

	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	UK	IS	NO	CH
Total credit institutions	0	c	0	0	0	c	0	0	c	c	0	0	c	60	0	c	c
Other monetary intermediation	0	c	0	0	0	c	0	0	c	c	0	0	c	60	0	c	c

Source: Eurostat.

S Table 8: Profit and loss account, 1997

(Mio ECU)

	Total credit institutions	Other monetary intermediation	Other credit granting
Interest receivable and similar income	28 179	12 059	16 120
Interest receivable and similar income arising from fixed-income securities	28 179	12 059	16 120
Interest payable and similar charges	11 529	6 596	4 934
Interest payable and similar charges linked to debt securities in issue	10 584	1 440	9 144
Income from securities	:	:	:
Income from shares and other variable-yield securities	970	825	145
Commissions receivable	2 360	2 251	109
Commissions payable	428	358	69
Net profit or net loss on financial operations	361	379	-18
Other operating income	641	506	135
General administrative expenses	4 894	4 378	516
Other administrative expenses	:	:	:
Other operating charges	343	280	63
Value adjustments and value readjustments in respect of loans and advances and provisions for contingent liabilities and for commitments	903	535	368
Other value adjustments and value readjustments	557	415	142
Profit or loss on ordinary activities	3 069	1 832	1 237
Extraordinary profit or loss	-92	-92	0
All taxes (tax on profit or loss on ordinary activities, tax on extraordinary profit or loss, other taxes)	649	478	171
Profit or loss for the financial year	1 618	1 146	472

Source: Eurostat.

S Table 9: Balance sheet variables, 1997

(Mio ECU)

	Total credit institutions	Other monetary intermediation	Other credit granting
Loans and advances to customers	242 600	100 957	141 643
Amounts owed to customers	113 224	109 068	4 156
Total of capital and reserves	36 648	21 615	15 033
Balance sheet total	427 645	247 966	179 680

Source: Eurostat.

S Table 10: Balance sheet total broken down by category of credit institutions, 1997

(Mio ECU)

	Total credit institutions	Other monetary intermediation	Other credit granting
Licensed banks	247 966	247 966	0
Specialised credit granting institutions	166 035	0	166 035
Other credit institutions	13 645	0	13 645
Other financial intermediaries	0	0	0
TOTAL	427 645	247 966	179 680

Source: Eurostat.

S Table 11: Employment, 1997

	Total credit institutions	Other monetary intermediation	Other credit granting
Persons employed	47 437	43 201	4 236

Source: Eurostat.

S Table 12: Macroeconomic variables, 1997

(Mio ECU)

	Total credit institutions	Other monetary intermediation	Other credit granting
Production value	6 585	5 133	1 452
Value added at basic prices	4 145	2 984	1 161

Source: Eurostat.

UNITED KINGDOM

Inconsistencies due to a still incomplete harmonisation of methodological concepts and definitions are found for the United Kingdom regarding the indicators 'Number of local units' and 'Number of persons employed' in 1997 in Table 1 and Table 11.

Credit institutions in the United Kingdom ⁽²⁶⁾ are classified in NACE Rev. 1 classes 65.12, 65.21, 65.22 and 65.23. For reasons of consistency with the data provided by the other countries of Europe, it has however been decided to consider NACE Rev. 1 class 65.12 only.

Other monetary intermediation enterprises (NACE Rev. 1 Class 65.12) amount to 431 in 1997: they have declined by 8.3 % since 1994. Their number compares with 495 financial leasing enterprises, 885 enterprises classified among 'other credit granting' and 5 335 'other financial intermediation' enterprises.

The 431 credit institutions count with an average 37 local units each, as well as with an average 1 030 persons employed per enterprise. The legal status of most of them (212) is that of incorporated enterprises limited by shares. Branches of non-EEA enterprises are rather numerous: 149, while 70 enterprises are classified within the United Kingdom as Building societies. Their legal status does not precisely fit into any of the available categories. For the purpose of this publication, these societies have been defined as having 'other' legal status. None of the UK enterprises classified within 'other monetary intermediation' are savings banks or co-operatives.

UK Table 1: Evolution of main indicators of total credit institutions, 1994-1997

	1994	1995	1996	1997	Average annual growth, %
Number of enterprises	470 ¹	458 ¹	451 ¹	431 ¹	-2.85
Number of local units	18 166 ¹	17 283 ¹	16 463 ¹	16 029 ¹	-4.09
Interest receivable and similar income (Mio ECU)	102 314 ²	115 050 ²	118 042 ²	130 342 ²	8.41
Commissions receivable (Mio ECU)	13 244 ²	12 970 ²	14 816 ²	18 519 ²	11.82
Production value (Mio ECU)	53 715 ²	52 904 ²	53 184 ²	65 522 ²	6.85
Value added at basic prices (Mio ECU)	35 489 ²	30 197 ²	30 898 ²	39 275 ³	3.44
Value added at factor cost (Mio ECU)	34 656 ²	29 344 ²	29 988 ²	38 168 ³	3.27
Personnel costs (Mio ECU)	10 874 ²	9 954 ²	10 951 ²	14 052 ²	8.92
Number of persons employed	472 626 ¹	461 783 ¹	443 587 ¹	444 059 ¹	-2.06
Number of employees	472 626 ¹	461 783 ¹	443 587 ¹	444 059 ¹	-2.06

1) Host Basis (excluding EEA branches operating in the UK).

2) NACE Rev.1 classes 6511 + 6512 (Home Basis).

3) NACE Rev.1 classes 6511 + 6512 (Host Basis).

Source: Eurostat.

⁽²⁶⁾ UK data have been provided on a mixed basis – that is host based data with the business of EU owned branches removed.

UK Table 2: Number of enterprises broken down by legal status, 1997 ¹

	Incorporated enterprises limited by shares	Cooperative enterprises	Savings banks	Branches of non-EEA enterprises	Others	TOTAL
Total credit institutions	212	0	0	149	70	431

1) Host Basis (excluding EEA branches operating in the UK).

Source: Eurostat.

UK Table 3: Number of enterprises broken down by size classes of balance sheet total, 1997 ¹

	> ECU 100 000 Mio	ECU 10 000-99 999 Mio	ECU 1 000-9 999 Mio	ECU 100-999 Mio	< ECU 99 Mio	TOTAL
Total credit institutions	7	48	123	184	69	431

1) Host Basis (excluding EEA branches operating in the UK).

Source: Eurostat.

UK credit institutions are rather large in terms of balance sheet total: 7 enterprises have a balance sheet total over ECU 100 bn and 48 between ECU 10 bn and ECU 99 bn. The average balance sheet total per enterprise amounts to ECU 6 780 Mio.

UK Table 4: Total number and location of branches in non-EEA countries, 1997

	Total	Switzerland	USA	Japan	In other third countries (rest of the world)
Total credit institutions	421	3	14	6	398

Source: Eurostat.

The UK credit institutions are also very active abroad, since figures on branches in non-EEA countries do not count less than 421.

UK Table 5: Number and origin of EEA branches, active in the host country, 1997

	Total EU-15	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	IS	NO	CH
Total credit institutions	99	5	3	19	4	9	17	9	15	c	7	4	4	c	3	0	c	8

Source: Eurostat.

99 branches of EEA enterprises are active in the UK market. 19 are German, 17 are French and 15 are Italian banks. These branches write ECU 51 576 Mio interest receivable and similar income and have a consolidated balance sheet total of ECU 1 017 307 Mio.

UK Table 6: Interest receivable and similar income, business written by EEA branches, in the host country, 1997

(Mio ECU)

	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	IS	NO	CH
Total credit institutions	1 821	971	19 556	523	1 988	6 260	1 049	4 219	c	3 542	673	419	c	1 407	0	c	8 339

Source: Eurostat.

UK Table 7: Balance sheet total, business written by EEA branches, in the host country, 1997

(Mio ECU)

	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	IS	NO	CH
Total credit institutions	19 010	13 660	378 503	8 181	30 046	137 820	10 992	67 348	c	76 260	10 247	5 259	c	14 843	0	c	233 627

Source: Eurostat.

UK Table 8: Profit and loss account, 1997

(Mio ECU)

	Total credit institutions
Interest receivable and similar income ¹	130 342
Interest receivable and similar income arising from fixed-income securities ²	17 641
Interest payable and similar charges ²	123 166
Interest payable and similar charges linked to debt securities in issue ²	23 547
Income from securities ²	3 927
Income from shares and other variable-yield securities ²	3 535
Commissions receivable ¹	18 519
Commissions payable ²	4 956
Net profit or net loss on financial operations	24 667
Other operating income ²	3 569
General administrative expenses	:
Other administrative expenses	:
Other operating charges	:
Value adjustments and value readjustments in respect of loans and advances and provisions for contingent liabilities and for commitments	:
Other value adjustments and value readjustments	:
Profit or loss on ordinary activities	:
Extraordinary profit or loss	:
All taxes (tax on profit or loss on ordinary activities, tax on extraordinary profit or loss, other taxes)	:
Profit or loss for the financial year ²	15 291

1) NACE Rev.1 classes 6511 + 6512 (Home Basis).

2) Host Basis (excluding EEA branches operating in the UK).

Source: Eurostat.

UK Table 9: Balance sheet variables, 1997 ¹

(Mio ECU)

	Loans and advances to customers	Amounts owed to customers	Total of capital and reserves	Balance sheet total
Total credit institutions	1 399 557	1 983 522	265 695	2 922 078

1) Host Basis (excluding EEA branches operating in the UK).

Source: Eurostat.

UK Table 10: Employment, 1997

	Persons employed	Employees	Employees in full-time equivalent units
Total credit institutions	444 059 ¹	444 059 ¹	398 787 ²

1) NACE Rev.1 classes 6511 + 6512 (Home Basis).

2) Host Basis (excluding EEA branches operating in the UK).

Source: Eurostat.

UK Table 11: Total credit institutions: Breakdown by regions, 1997

Regions	Number of local units	Number of persons employed	Wages and salaries (Mio ECU)
North East	723	17 642	:
North West	2 018	46 950	:
York / Humb	1 798	45 390	:
East Midlands	1 242	27 933	:
West Midlands	1 683	38 656	:
East Anglia	1 013	18 561	:
Greater London	5 882	129 030	:
Other South East	3 743	93 628	:
South West	1 609	37 470	:
Scotland	1 969	39 941	:
Wales	700	21 231	:
Northern Ireland	704	18 340	:
TOTAL	23 085	534 772	:

Source: Eurostat.

NORWAY

Data received from Norway are based on the institutional units within the national economic territory, according to the National Accounts definitions. Data include branches of foreign companies in Norway and exclude Norwegian branches abroad. The total number of enterprises in Norway in 1997 amounts to 456, classified within NACE Rev. 1 classes 65.12, 65.22 and 65.23. Among them, 71 are incorporated enterprises limited by shares, 133 are savings banks and 252 are in the 'others' category. The residual class includes a total of 17 branches of EU enterprises as well as 6 state lending institutions. The rest is made of enterprises classified under 65.23, i.e. financial holding companies and unit trusts.

Most enterprises (426) are small in size, with balance sheet totals under ECU 999 Mio. 4 enterprises classified within 65.12 have however a balance sheet total between ECU 10 000 and 99 999 Mio.

There is an average of 61 persons employed and 4 local units per enterprise. Production value per enterprise amounts to ECU 14 Mio.

Banking profitability ratios are 8.9 % concerning the return on equity and 1.6 % for the return on assets.

NO Table 1: Evolution of main indicators of total of credit institutions, 1994-1997

	1994	1995	1996	1997	Average annual growth, %
Number of enterprises	411	426	436	456	3.52
Number of local units	1 610	1 593	1 937	1 927	6.17
Interest receivable and similar income (Mio ECU)	6 035	6 269	9 081	8 978	14.16
Commissions receivable (Mio ECU)	584	646	833	973	18.55
Production value (Mio ECU)	3 503	3 698	5 762	6 537	23.11
Value added at basic prices (Mio ECU)	4 599	4 650	7 786	8 107	20.79
Personnel costs (Mio ECU)	946	1 031	1 267	1 348	12.51
Total purchases of goods and services (Mio ECU)	1 243	1 415	1 749	1 913	15.45
Number of persons employed ¹	24 057	25 012	30 246	27 723	4.84

1) 1994, 1995 Man-years.

Source: Eurostat.

NO Table 2: Number of enterprises broken down by legal status, 1997

	Total credit institutions	Other monetary intermediation	Financial leasing	Other credit granting	Other financial intermediation n.e.c.
Incorporated enterprises limited by shares	71	15	0	46	10
Cooperative enterprises	0	0	0	0	0
Savings banks	133	133	0	0	0
Branches of non-EEA enterprises	0	0	0	0	0
Others	252	6 ¹	0	17 ²	229
TOTAL	456	154	0	63	239

1) 6 branches of EU enterprises.

2) Including 11 branches of EU enterprises and 6 state lending institutions.

Source: Eurostat.

NO Table 3: Number of enterprises broken down by size classes of balance sheet total, 1997

	Total credit institutions	Other monetary intermediation	Other credit granting	Other financial intermediation n.e.c.
> ECU 100 000 Mio	0	0	0	0
ECU 10 000-99 999 Mio	4	4	0	0
ECU 1 000-9 999 Mio	25	16	8	1
ECU 100-999 Mio	103	53	16	34
< ECU 99 Mio	323	81	38	204
TOTAL	456	154	62 ¹	239

1) NACE 65.22: Data for one enterprise not available.

Source: Eurostat.

NO Table 4: Number of enterprises broken down by category of credit institutions, 1997

	Total credit institutions	Other monetary intermediation	Other credit granting	Other financial intermediation n.e.c.
Licensed banks	154	154	0	0
Financial leasing companies	0	0	0	0
Specialised credit granting institutions	63 ¹	0	63	0
Other credit institutions	: ²	:	:	:
Other financial intermediaries	239	0	0	239
TOTAL	456	154	63	239

1) Including mortgage companies, finance companies and state lending.

2) Unit trust which are to be considered as credit institutions are included in 'Other financial intermediations'.

Source: Eurostat.

NO Table 5: Total number and location of branches in non-EEA countries, 1997

	Total	Switzerland	USA	Japan	In other third countries (rest of the world)
Total credit institutions	6	0	2	0	4

Source: Eurostat.

NO Table 6: Number and origin of EEA branches, active in the host country, 1997

	Total EU-15	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK	IS	CH
Total credit institutions	17	0	2	2	0	0	1	0	0	0	2	0	0	0	8	2	0	0
Other monetary intermediation	6	0	2	0	0	0	1	0	0	0	0	0	0	0	2	1	0	0
Other credit granting	11	0	0	2	0	0	0	0	0	0	2	0	0	0	6	1	0	0

Source: Eurostat.

NO Table 7: Profit and loss account, 1997

(Mio ECU)

	Total credit institutions	Other monetary intermediation	Other credit granting	Other financial intermediation n.e.c.
Interest receivable and similar income	8 978	6 467	2 263	248
Interest receivable and similar income arising from fixed-income securities	908	664	243	0
Interest payable and similar charges	5 940	3 693	2 187	60
Interest payable and similar charges linked to debt securities in issue	1 789	909	880	0
Income from securities	360	93	14	254
Income from shares and other variable-yield securities	:	:	:	:
Commissions receivable	973	877	96	0 ¹
Commissions payable	345	187	25	133
Net profit or net loss on financial operations	1 571	253	19	1 298
Other operating income	3 839	3 099	739	1
General administrative expenses	2 282	1 891	367	24
Other administrative expenses	935	702	233	0
Other operating charges	2 317	1 886	414	17
Value adjustments and value readjustments in respect of loans and advances and provisions for contingent liabilities and for commitments	65	-19	84	:
Other value adjustments and value readjustments	177	165	12	:
Profit or loss on ordinary activities	3 049	1 255	235	1 559
Extraordinary profit or loss	9	3	6	0
All taxes (tax on profit or loss on ordinary activities, tax on extraordinary profit or loss, other taxes)	256	204	47	5
Profit or loss for the financial year	2 798	1 050	194	1 555

1) Unit trusts only.

Source: Eurostat.

NO Table 8: Balance sheet variables, 1997

(Mio ECU)

	Total credit institutions	Other monetary intermediation	Other credit granting	Other financial intermediation n.e.c.
Loans and advances to customers	236 935	93 169	37 351	106 415
Amounts owed to customers	88 914	69 801	19 112	:
Total of capital and reserves	31 503	14 590	3 354	13 559
Balance sheet total	179 398	122 139	42 941	14 318

Source: Eurostat.

NO Table 9: Balance sheet total broken down by category of credit institutions, 1997

(Mio ECU)

	Total credit institutions	Other monetary intermediation	Other credit granting	Other financial intermediation n.e.c.
Licensed banks	122 139	122 139	0	0
Specialised credit granting institutions	42 941 ¹	0	42 941	0
Other financial intermediaries	14 318	0	0	14 318
TOTAL	179 398	122 139	42 941	14 318

1) Including mortgage companies, finance companies and state lending.

Source: Eurostat.

NO Table 10: Employment, 1997

	Total credit institutions	Other monetary intermediation	Other credit granting	Other financial intermediation n.e.c.
Persons employed	27 723	24 395	1 662 ¹	1 666 ²

1) Man-years. Mortgage companies and finance companies only.

2) Financial holding companies : Unit trusts : Man-years.

Source: Eurostat.

NO Table 11: Macroeconomic variables, 1997

(Mio ECU)

	Total credit institutions	Other monetary intermediation	Other credit granting	Other financial intermediation n.e.c.
Production value	6 537	4 108	686	1 743
Value added at basic prices	8 107	4 645	1 869	1 593
Total purchases of goods and services	1 913	1 548	215	150

Source: Eurostat.

SWITZERLAND

Swiss credit institutions are classified within NACE Rev. 1 classes 65.12 and 65.22. Most of them, i.e. 395 out of 399, are contained within 65.12.

71.4 % of enterprises are incorporated enterprises limited by shares, 9.8 % are co-operatives, and 14.3 % are classified under other non defined legal status. Savings bank is not a legal status in Switzerland. Most banks collect savings deposits from their customers. Legally savings banks can be incorporated enterprises limited by shares, co-operative enterprises, etc.

They are 18 branches of non-EEA enterprises.

The total number of credit institutions has declined by 4.55 % between 1995 and 1997, while local units dropped by 8.8 %. As a result, the average number of local units per enterprise has remained rather stable (9). Persons employed per enterprise increased from 289 to 302 between 1995 and 1997.

The consolidated balance sheet total of credit institutions amounts to ECU 1 113 085 Mio in 1997 or an average ECU 2 790 Mio per enterprise. Switzerland has some large banks: 12 credit institutions have indeed a balance sheet total over ECU 10 000 Mio.

The average return on equity of all credit institutions is of 4.8 % and the average return on assets of 0.35 %.

CH Table 1: Evolution of main indicators of total of credit institutions, 1994-1997

	1994	1995	1996	1997	Average annual growth ¹ , %
Number of enterprises ²	499 ] [	418	408	399	-2.30
Number of local units	3 927	3 776	3 650	3 444	-4.50
Interest receivable and similar income (Mio ECU)	52 064	:	54 874	40 665	:
Commissions receivable (Mio ECU)	9 151	9 028	10 709	19 123	45.54
Production value (Mio ECU)	23 585	25 835	26 860	30 117	7.97
Value added at basic prices (Mio ECU)	18 829	20 344	21 081	23 664	7.85
Value added at factor cost (Mio ECU)	18 255	19 670	20 136	22 427	6.78
Personnel costs (Mio ECU)	8 495	9 198	9 915	10 524	6.97
Total purchases of goods and services (Mio ECU)	4 789	5 533	5 815	6 499	8.38
Number of persons employed	122 025	120 692	120 578	120 565	-0.05
Number of employees	122 025	120 692	120 578	120 565	-0.05

1) Average annual growth between 1995 and 1997.

2) 1994: include 71 Banklike Finance Companies, a legal status that was abolished at the end of 1994.

Source: Eurostat.

CH Table 2: Number of enterprises broken down by legal status, 1997

	Total credit institutions	Other monetary intermediation	Financial leasing	Other credit granting	Other financial intermediation n.e.c.
Incorporated enterprises limited by shares	285	281	:	4	:
Cooperative enterprises	39	39	:	0	:
Savings banks ¹	0	0	:	0	:
Branches of non-EEA enterprises	18	18	:	0	:
Others	57	57	:	0	:
TOTAL	399	395	:	4	:

1) Saving Bank is not a legal status in Switzerland. Most banks are collecting savings deposits from their customers.
Legally saving banks can be incorporated enterprises limited by shares, cooperative enterprises etc.

Source: Eurostat.

CH Table 3: Number of enterprises broken down by size classes of balance sheet total, 1997

	Total credit institutions	Other monetary intermediation	Other credit granting
> ECU 100 000 Mio	3	3	0
ECU 10 000-99 999 Mio	9	9	0
ECU 1 000-9 999 Mio	62	61	1
ECU 100-999 Mio	191	189	2
< ECU 99 Mio	134	133	1
TOTAL	399	395	4

Source: Eurostat.

CH Table 4: Total number and location of branches in non-EEA countries, 1997

	Total	USA	Japan	In other third countries (rest of the world)
Total credit institutions	104	12	3	89

Source: Eurostat.

CH Table 5: Number and origin of EEA branches, active in the host country, 1997

	Total EU-15	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK	IS	NO
Total credit institutions	12	0	0	0	0	0	3	0	0	1	1	1	1	0	0	5	0	0

Source: Eurostat.

CH Table 6: Profit and loss account, 1997

(Mio ECU)

	Total credit institutions	Other monetary intermediation	Other credit granting
Interest receivable and similar income	40 665	59 512	186
Interest receivable and similar income arising from fixed-income securities	:	:	:
Interest payable and similar charges	:	:	:
Interest payable and similar charges linked to debt securities in issue	:	:	:
Income from securities	:	:	:
Income from shares and other variable-yield securities	:	:	:
Commissions receivable	19 123	13 179	76
Commissions payable	:	:	:
Net profit or net loss on financial operations	:	:	:
Other operating income	:	:	:
General administrative expenses	17 023	16 898	125
Other administrative expenses	6 499	6 422	77
Other operating charges	:	:	:
Value adjustments and value readjustments in respect of loans and advances and provisions for contingent liabilities and for commitments	6 959	6 924	35
Other value adjustments and value readjustments	:	:	:
Profit or loss on ordinary activities	4 710	4 676	34
Extraordinary profit or loss	:	:	:
All taxes (tax on profit or loss on ordinary activities, tax on extraordinary profit or loss, other taxes)	815	798	17
Profit or loss for the financial year	:	:	:

Source: Eurostat.

CH Table 7: Balance sheet variables, 1997

(Mio ECU)

	Total credit institutions	Other monetary intermediation	Other credit granting
Loans and advances to customers	511 642	510 066	1 576
Amounts owed to customers	489 738	489 270	468
Total of capital and reserves	81 377	81 113	265
Balance sheet total	1 113 085	1 111 331	1 754

Source: Eurostat.

CH Table 8: Balance sheet total broken down by category of credit institutions, 1997

(Mio ECU)

	Total credit institutions	Other monetary intermediation	Other credit granting
Licensed banks	1 113 085	1 111 331	1 754

Source: Eurostat.

CH Table 9: Employment, 1997

	Total credit institutions	Other monetary intermediation	Other credit granting
Persons employed	120 565	119 706	859
Employees	120 565	119 706	859

Source: Eurostat.

CH Table 10: Macroeconomic variables, 1997

(Mio ECU)

	Total credit institutions	Other monetary intermediation	Other credit granting
Production value	30 117	29 889	228
Value added at basic prices	23 664	23 513	151
Value added at factor costs	22 427	22 306	120
Total purchases of goods and services	6 499	6 422	77

Source: Eurostat.

METHODOLOGICAL NOTES

The data in this publication are based on the information provided by the Member States of the European Union. The data are presented in the form of a summary of the information provided by the Member States. The data are presented in the form of a summary of the information provided by the Member States. The data are presented in the form of a summary of the information provided by the Member States.

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Annex 2 provides the list of available data.

There have been also difficulties with the inclusion of data on credit institutions in other EEA Member States, although the 'home country principle' is the preferred approach of the contributing countries and the 'host country principle' and some others a mixed approach (a combination of the two principles in the glossary). As a result, reconciliation between the home and host country approach has been limited so far (due to data unavailability).

As the coverage of data forwarded by Member States shows, there is a strong reliance on the use of the home/host country approach. Eurostat follows it to the maximum extent possible (the data according to the use of the approach, even if Eurostat recommends the use of the home country principle). As the data quality has to be assured, Eurostat takes over the task of ensuring the completeness of data between Member States by using the information transmitted and in complementing it by information from other sources (if necessary).

In compiling final results according to the home and host country approach, the scope of the variety of types of the business statistics on credit institutions is taken into consideration.

Coverage of data

The coverage of the 1997 data is summarised below. It is only accurate and complete to the extent that the information was provided together with the data.

Country	Data coverage	MACS recognition includes transactions legislation and/or data published
BE	Home country approach	All credit institutions are defined in MACS class 65.12
DK	Home country approach	All credit institutions are defined in MACS class 65.12
D	Home country approach	All credit institutions are defined in MACS class 65.12
EL	Host country approach	All credit institutions are defined in MACS class 65.12
E	Host country approach	All credit institutions are defined in MACS class 65.12
F	Host country approach	All credit institutions are defined in MACS class 65.12

This publication presents Eurostat's sector specific statistics on credit institutions collected on a voluntary basis for the first time. While the data collection on credit institutions has been widened and more information starting from the reference year 1997 has been included, the basic indicators and time series referring to earlier years are based on obligatory data collection concerning structural business statistics.

These methodological notes seek to facilitate the interpretation and analysis of the statistics published in this volume, emphasising that the quality of the data still need to be upgraded and that therefore the data should be used only cautiously for comparative purposes. The statistics show important differences that defy quick comparisons. As the sector specific data collection on credit institutions is voluntary, relatively new and EU-wide, the coverage of countries, the population of enterprises and the comparability of variables may vary.

The [coverage of countries](#) faces two difficulties: (1) Missing countries or limited data. (2) Different approaches to collecting statistics at national level (home or host country approach).

In August 1998, 18 countries (the EEA plus Switzerland) received questionnaires requesting statistics on credit institutions on a voluntary basis for the reference year 1997. Due to the reorganisation of national banking authorities, Ireland and Luxembourg provided a limited set of data, while Iceland did not participate in the data collection at all.

Annex 3 provides the list of available data.

There have been also difficulties with the inclusion of EEA branches established in other EEA Member States. Indeed, although the '*home country principle*' is the preferred concept, half of the contributing countries used the '*host country principle*' and some others a mixed basis (please see the definition of the two principles in the glossary). As a result, reconciliation between the home and host country approach has been limited so far (due to data unavailability).

As the [coverage of the data](#) forwarded by Member States shows a heterogeneous picture on the use of the home/host country approach. Eurostat leaves it to the Member States to compile the data according to the any of the approach, even if Eurostat recommends the use of the home country principle. As the data quality has to be assured, Eurostat takes over the task of ensuring the comparability of the data between Member States (in using the information transmitted and in complementing it by estimations whenever necessary).

In compiling final results according to the home and host country approach, the needs of the variety of users of the business statistics on credit institutions is taken into consideration.

Coverage of data

The coverage of the 1997 data is summarised below. It is only accurate and complete to the extent that the information was provided together with the data.

Country	Data coverage: inclusion of branches	NACE categories included in national legislation and/or data published
B	Home country approach	All credit institutions are defined in NACE class 65.12
DK	Home country approach	All credit institutions are defined in NACE class 65.12
D	Home country approach	All credit institutions are defined in NACE class 65.12
EL	Host country approach	All credit institutions are defined in NACE class 65.12
E	Host country approach	NACE 65.12, 65.22
F	Home country approach	NACE 65.12, 65.21, 65.22 fully covered NACE 65.23 partly covered

Country	Data coverage: inclusion of branches	NACE categories included in national legislation and/or data published
IRL		
I	Host country approach	NACE 65.12
L	Host country approach	All credit institutions are defined in NACE class 65.12
NL	Host country approach	All credit institutions are defined in NACE class 65.12
A	Home country approach	NACE 65.12 NACE 65.21, 65.22, 65.23 partly covered
P	Host country approach	NACE 65.12
FIN	Home country approach	NACE 65.12, 65.22
S	Mixed approach (Host preferred)	NACE 65.12, 65.21, 65.22
UK	Mixed approach (Host preferred)	NACE 65.12
IS		
NO	Host country approach	NACE 65.12, 65.22, 65.23
CH	Home country approach	NACE 65.12, 65.22

In addition to credit institutions in European countries, limited data on commercial banks in the USA and Japan are also provided up to the year 1996. The information on European credit institutions is based on Eurostat data in accordance with the Council Regulation 58/97 (and draft annex 6). The source for the complementary information on the US and Japanese commercial banks is the OECD, with more limited population of enterprises and different definitions of variables.

The [population of enterprises](#) faces two difficulties: (1) the definition of credit institutions is not identical in each EU Member State. (2) Complementary data refers to other enterprises and sectors than credit institutions.

Directive 77/780/EEC defines a credit institution as an undertaking whose business is to receive deposits or other repayable funds from the public and to grant credit for its own account, but the implementation of the Directive into national legislation varies from country to country. As a result, some countries include all credit institutions in NACE class 65.12 only (other monetary intermediation), whereas others may have credit institutions also in NACE classes 65.21 (financial leasing), 65.22 (other credit granting) and 65.23 (other financial intermediation n.e.c).

Complementary data on US and Japanese commercial banks refer to a more limited population of enterprises (which primarily take deposits from the public at large and provide finance for a wide range of purposes) than credit institutions. In the absence of comparable statistics on credit institutions in the USA and Japan, commercial banks were chosen to be presented in the publication so as to make the population of enterprises even in these countries as comparable as the OECD data allow, while recognising the differences of the population in comparison to European credit institutions.

Complementary data on the European financial services branch refer to a larger population of enterprises than credit institutions. Based on national accounts, the financial services branch covers financial intermediaries, such as credit institutions, investment firms, leasing enterprises, insurance companies, pension funds and financial auxiliaries.

Complementary data on insurance services refer to the activities classified within the scope of NACE Rev. 1 class 66.01 and 66.03, including all activities of direct insurance enterprises (life insurance, non-life insurance and composite insurance enterprises) and all activities of specialist reinsurance enterprises.

Missing variables make the analysis and comparisons between different countries more difficult if collected variables are not available or useful variables are not collected. The publication provides very limited or no information whatsoever on credit institutions' risks, products, balance sheet items and off-balance sheet business because of low availability of data or to avoid burden on business and cost of collection.

Eurostat aims to become the principal provider of harmonised business statistics. However, additional and complementary information on banking statistics, as well as on methodological differences, can be obtained from e.g.

➤ The ECB (European Central Bank)

Kaiserstrasse 29,
D-60311 Frankfurt am Main
Germany
Internet: www.ecb.int

➤ The OECD (Organisation for Economic Co-operation and Development)

2, rue Andre-Pascal,
75775 Paris Cedex 16,
France
Internet: www.oecd.org

➤ The BIS (Bank for International Settlements)

BRI, Services Information, presse et bibliotheque
Case postale
CH-4002 Bale,
Suisse
Internet: www.bis.org

General remarks

Country	Remarks
B	Data 1996 for a few variables.
DK	Data for credit institutions include Greenland and the Faeroe Islands. No Danish credit institution has a parent enterprise situated outside Denmark.
EL	Data refers to the commercial banks authorised in Greece.
E	A total 1 942 of institutions (1997 figure) classified within 'other financial intermediation n.e.c.' (NACE Rev.1 65.23) are not considered.
A	The breakdown of 'number of persons employed' and 'wages and salaries' by regions covers the whole NACE 65 (not only credit institutions).
S	Balance sheet total estimated with total assets.
UK	NACE 65.21 (495 entities), 65.22 (885 entities), 65.23 (5 335 entities) are not covered by the publication but are however included in national legislation.

Definitions specificities

Country	Variable	Specificities
B	Personnel costs Interest receivable and similar income arising from fixed-income securities Income from securities	This variables not only includes costs of wages and salaries, employers' social contributions and premiums paid by employers for extra-legal insurance but also other personnel costs and pensions directly by employers to their former employees. Includes interests generated by certificates of deposit. Includes income from subordinated loans granted to affiliated undertakings and companies in which the credit institutions have participating interests.
NL	Number of local units Commissions receivable	Estimation The provided NL-figures of commission receivable are net commissions i.e. commissions receivable minus commissions payable.
S	Commissions receivable	Commission, net value
NO	Interest receivable and similar income, business written by EEA branches and Balance sheet total, business written by EEA branches	Confidential data
CH	Automatic teller machines	Includes Bancomat (bank's ATMs) and Postomat (the postal system's ATMs).

GLOSSARY

1. **Geography:** The map shows a coastal region with a large body of water to the east. The coastline is irregular, with several bays and peninsulas. The land area is divided into several regions, some of which are labeled with names like "Mediterranean Sea" and "Black Sea".

Enterprise is the smallest competitive legal unit that is an organisation and producing goods or services, which benefits from a certain degree of autonomy in decision-making especially for the allocation of its current resources. An enterprise carries out one or more activities, legal or economic, in a certain area. An enterprise may be a sole local unit. (Regulation EEC No 4087/86)

A count of the number of enterprises registered to the population concerned in the business register can be used to check for errors, in particular frame errors. Unpart units are counted in the frame, while side units are not counted during at least a part of the reference period (Code 31.112 Commission Regulation (EC) No 2790/93).

For credit institutions the statistical unit is enterprise, in other words, the legal entity. The legal and credit institution is authorised and registered by the competent national authority. The data are collected on credit institutions version 1.5, February 1999.

Financial leasing services: This category covers activities of leasing assets in whole to the client (4 classes) without necessarily capital investment on the client's part; the lessor normally buys the asset and leases it to the lessee while retaining its legal ownership. Financial leases are distinguished by the contractual period during which all, or virtually all, of the cost of the asset, less depreciation, is recovered by the lessor. (High classification of products by activities for financial and credit intermediaries)

Home country approach: means that the home country authority reports the entire banking business of resident credit institutions authorized in the reporting Member State, including the business of their branches operating abroad. The home country authority also reports the data on resident branches of credit institutions authorized in other Member States. Because the branches of credit institutions with head offices in other EEA countries are already included in the data reported by their home country authorities, the data on their branches should be excluded from the data provided by the host country authority of those branches.

host country approach, extend the business of member banks of credit institutions of national credit co-operation with the national territory, while not beyond the scope of home country approach. In this case, reporting by the national credit institutions, by results of branches established in other IFA countries, by domestic credit institutions.

Limited liability companies
limited companies

Local unit: is an administrative, factory, workshop, office, bank or other unit in a geographically identifiable place in which one prime economic activity is carried out for which – with certain exceptions – more or more persons work (even if only part-time) for the firm in the same district (Regulation EEC No 609/80).

GLOSSARY

Accounting variables: reference is made to Directive 86/635/EEC, on the annual accounts and consolidated accounts of banks and other financial institutions.

Branch: place of business which forms a legally dependent part of a credit institution and which carries out directly all or some of the transactions inherent in the business of credit institutions. Any number of places of business set up in the same Member State by a credit institution with headquarters in another Member State shall be regarded as a single branch (Directive 89/646/EEC).

Credit institutions: are normally defined as 'undertakings whose business is to receive deposits or other repayable funds from the public and to grant credits for their own account' according to Directive 77/780/EEC.

For some Member States, credit institutions refer to enterprises engaged in 'other monetary intermediation' only, while for others the coverage stretches to institutions classified under 'financial leasing', 'other credit granting' and 'other financial intermediation n.e.c.'

Co-operative credit institutions: have normally a special – co-operative – legal status and have tailored their business activities primarily to the needs of local small businessmen, farmers and self-employed people (List of credit institutions provided for in Articles 3 (7) and 10 (2) of Directive 77/780/EEC (91/C 247/01)).

Co-operative societies observe a number of general principles; for instance, they may only be entitled to provide their services to members, profits are often distributed in proportion to members' dealings with the society, etc. (CODED, Eurostat concepts definitions data base).

Enterprise: is 'the smallest combination of legal units that is an organisational unit producing goods or services, which benefits from a certain degree of autonomy in decision-making, especially for the allocation of its current resources. An enterprise carries out one or more activities at one or more locations. An enterprise may be a sole local unit.' (Regulation EEC No 696/93)

A count of the number of enterprises registered to the population concerned in the business register corrected for errors, in particular frame errors. Dormant units are excluded. This statistic should include all units active during at least a part of the reference period (Code 11 110 Commission Regulation (EC) No 2700/98).

For credit institutions the statistical unit 'enterprise' is in general equivalent to the legal unit. The legal unit 'credit institution' is authorised and registered by the competent national authority (Methodological manual for statistics on credit institutions, version 1.5, February 1999).

Financial leasing services: This category covers services of making assets available to the client (= lessee) without necessarily capital investment on the client's part. The lessor normally buys the asset and leases it to the lessee while retaining its legal ownership. Financial leases typically cover a single fixed contractual period during which all, or virtually all, of the cost of the asset, including interest, is recovered by the lessor (Draft classification of products by activities for financial intermediation services).

Home country approach: means that the home country authority reports the entire banking business of resident credit institutions authorised in the reporting Member State, including the business of their branches operating abroad. The home country authority also reports the data on resident branches of non-EEA countries. Because the branches of credit institutions with head offices in other EEA countries are already included in the data reported by their home country authorities, the data on these branches should be excluded from the data provided by the host country authority of those branches.

Host country approach: records the business of the branches of credit institutions of other EEA countries within the national territory, while branches abroad are beyond the scope of host country approach. In this case, reporting by the national authority should exclude the results of branches established in other EEA countries by domestic credit institutions.

Limited liability companies: comprise joint-stock companies, limited partnerships with share capital and private limited companies (CODED, Eurostat concepts definitions data base).

Local unit: is 'an enterprise or part thereof (e.g. a workshop, factory, warehouse, office, mine or depot) situated in a geographically identified place. At or from this place economic activity is carried out for which – save for certain exceptions – one or more persons work (even if only part time) for one and the same enterprise'. (Regulation EEC No 696/93)

A count of the number of local units registered to the population concerned in the business register corrected for errors, in particular frame errors. Local units must be included even if they have no paid employees. This statistic should include all units active during at least a part of the reference period (Code 11 210 Commission Regulation (EC) No 2700/98).

While the definition excludes automatic teller machines, the number of local units includes credit institutions branch offices and other comparable outlets. 'ATM' includes different forms of machines, which facilitate the banking business, e.g. machines that enable to withdraw deposits (cash dispensers), to make payments, to exchange money, to load credit cards, etc.

Number of employees: number of persons who work for an employer and who have a contract of employment and receive compensation in the form of wages, salaries, fees, gratuities, piecework pay or remuneration in kind. The relationship of employer to employee exists when there is an agreement, which may be formal or informal, between an enterprise and a person, normally entered into voluntarily by both parties, whereby the person works for the enterprise in return for remuneration in cash or in kind. A worker is considered to be a wage or salary earner of a particular unit if he or she receives a wage or salary from the unit regardless of where the work is done (in or outside the production unit). Workers from a temporary employment agency are considered to be an employee of the temporary employment agency and not of the unit (customer) in which they work. In particular, the following are considered as employees:

- 1) Paid working proprietors,
- 2) Students who have a formal commitment whereby they contribute to the unit's process of production in return for remuneration and/or education services,
- 3) Employees engaged under a contract specifically designed to encourage the recruitment of unemployed persons,
- 4) Homeworkers, if there is an explicit agreement that the homeworkers are remunerated on the basis of the work done and they are included on the payroll.

The number of employees includes part-time workers, seasonal workers, and persons on strike or on short-term leave, but excludes those persons on long-term leave. The number of employees does not include voluntary workers. The number of employees is calculated in the same manner as the number of persons employed, namely as the number of jobs and is measured as an annual average.

(Commission Regulation (EC) No. 2700/98 concerning the definitions of characteristics for structural business statistics, Code 16 130).

Number of persons employed: total number of persons who work in the observation unit (inclusive of working proprietors, partners working regularly in the unit and unpaid family workers), as well as persons who work outside the unit, who belong to it and are paid by it (e.g. sales representatives, delivery personnel, repair and maintenance teams).

It includes persons absent for a short period (e.g. sick leave, paid leave or special leave), and also those on strike, but not those absent for an indefinite period. It also includes part-time workers who are regarded as such under the laws of the country concerned and who are on the payroll, as well as seasonal workers, apprentices and homeworkers on the payroll. The number of persons employed excludes manpower supplied to the unit by other enterprises, persons carrying out repair and maintenance work in the enquiry unit on behalf of other enterprises, as well as those on compulsory military service. Unpaid family workers refer to persons who live with the proprietor of the unit and work regularly for the unit, but do not have a contract of service and do not receive a fixed sum for the work they perform. This is limited to those persons who are not included on the payroll of another unit as their main occupation.

(Commission Regulation (EC) No. 2700/98 concerning the definitions of characteristics for structural business statistics, Code 16 110).

Production value: Interest receivable and similar income *minus* Interest payable and similar charges *plus* Commissions receivable *plus* Income from securities *plus* Net profit or net loss on financial operations *plus* Other operating income (Methodological manual for statistics on credit institutions, version 1.5, February 1999).

Savings banks: are banks, which, at least by tradition, receive deposits primarily in the form of savings deposits from broad sections of the public (List of credit institutions provided for in Articles 3 (7) and 10 (2) of Directive 77/780/EEC (91/C 247/01)).

Subsidiary: a subsidiary undertaking as defined in Directive 83/349/EEC (articles 1 and 2). Any subsidiary of a subsidiary undertaking shall also be regarded as a subsidiary of the parent undertaking which is at the head of those undertakings (Directive 89/646/EEC).

Universal banks: offer all or most of the products and services that credit institutions are allowed to propose.

- Acceptance of deposits and other repayable funds
- Lending (consumer credit, mortgage, factoring, forfeiting)
- Financial leasing
- Money transmission services
- Issuing and administering means of payments
- Guarantees and commitments
- Trading for own account or for account of customers
- Participation in share issues and related services
- Financial consulting and advisory services for enterprises
- Money broking
- Portfolio management and advice
- Safekeeping and administration of securities
- Credit reference services
- Safe custody services

Value added at basic prices: Production value *minus* Total purchases of goods and services (Methodological manual for statistics on credit institutions, version 1.5, February 1999).

Value added at factor cost: This variable is identical to the previous one (for credit institutions) (Methodological manual for statistics on credit institutions, version 1.5, February 1999).

ANNEX

Member State 1 reports the data on annex 6 according to the home country approach, including all branches and freedom of provision of services business abroad.

Member State 2 reports the data on annex 6 according to the host country approach, excluding all branches abroad, but including the freedom of provision of services business abroad.

Example 1: Freedom of provision of services business abroad

Member State 1 reports the data on annex 6 according to the home country approach, including all branches and freedom of provision of services business abroad.

- All users asking for information based on the home country approach are satisfied.
- For the users asking for information based on the host country approach (mainly National Accounts), the following treatment of data will be necessary carried out at Eurostat:
 - a) The variables transmitted by Member State 1 serve as the starting point for conversion.
 - b) The business of branches located in other EEA countries have to be separated from this data. This can be done for main indicators on the basis of the data transmitted by the branches. Other indicators will have to be complemented by estimations where no detailed data is available.
 - c) A similar treatment of data is possible for the branches established in non-EEA countries (on the basis of variable 45 410 covering business within a non-EEA territory).
 - d) In order to obtain the complete host country approach, the activities of EEA branches established in Member State 1 have to be added. This will be done on the basis of the data transmitted by Member State 1 (a) complemented, when necessary, by estimates.
 - e) Branches of non-EEA credit institutions established in Member State 1 have to be added to the data already covered by the data transmitted by Member State 1 as authorised data.
 - f) For the freedom of provision of services business, no treatment of the data will have to be carried out at Eurostat, as it is not possible to record those activities in the host country.

Example 2: Freedom of provision of services business abroad

Member State 2 reports the data on annex 6 according to the host country approach, excluding all branches abroad, but including the freedom of provision of services business abroad.

- All users asking for information based on the home country approach (mainly National Accounts) are satisfied.
- For all users asking for information based on the host country approach (e.g. EU Internal Market competitiveness, etc.) the following treatment of data will have to be carried out at Eurostat:
 - a) The variables reported by Member State 2 serve as the starting point for the conversion.
 - b) The business of EEA branches established in other EEA countries have to be separated from this data. This can be done for main indicators on the basis of the data transmitted by the branches. Other indicators will have to be complemented by estimations where no detailed data is available.



ANNEX 1

Illustration on data compilation at Eurostat (home/host country approach)

Introduction:

- Necessary condition for conversion:

Each Member States reports the variables 45 110 (= Geographical breakdown of the total number of EEA branches), 45 210 (= Geographical breakdown of interests receivable and similar income), and 45 220 (= Geographical breakdown of balance sheet total), which refer to branches in the host country (= country where the branch is situated). These three variables are broken down by each single other EEA country.

- Data according to both approaches are needed to satisfy different user needs on the Statistics on credit institutions (EU Internal Market policy, National Accounts etc.).

Example 1: Conversion from home to host country approach

Member State 1 reports the data on annex 6 according to the home country approach (= including all branches and freedom of provision of services business abroad).

- All users asking for information based on the home country approach are satisfied.
- For the users asking for information based on the host country approach (mainly National Accounts) the following treatment of data will be necessarily carried out at Eurostat:
 - a) The variables transmitted by Member State 1 serve as the starting point for conversion.
 - b) The business of branches located in other EEA countries have to be subtracted from this data. This will be done for main indicators on the base of the data mentioned under point (1a). Calculations will have to be complemented by estimations wherever no detailed data is available.
 - c) A similar treatment of data is possible for the branches established in non-EEA countries (on the base of variable 45 410 covering business written in non-EEA countries).
 - d) In order to obtain the complete host country activities of credit institutions, the activities of EEA branches established in Member State 1 have to be added. This will be done on the basis of the data mentioned under point (1a) complemented, when necessary, by estimations.
 - e) Branches of non-EEA credit institutions established in Member State 1 are however already covered by the data transmitted by Member State 1 as authorised there.
 - f) For the freedom of provision of services business, no treatment of the data will have to be carried out at Eurostat, as it is not possible to record those activities in the host country.

Example 2: Conversion from host to home country variables

Member State 2 reports data on annex 6 according to the host country approach (excluding all branches abroad, but including the freedom of provision of services business abroad).

- All users asking for information based on the host country approach (mainly National Accounts) are satisfied.
- For all users asking for information based on the home country approach (e.g. EU Internal Market, competitiveness policy etc.) the following treatment of data will have to be carried out at Eurostat:
 - a) The variables reported by Member State 2 are used as starting point for the conversion.
 - b) The business of EEA branches located in Member State 2 have to be subtracted from this data. This will be done for main indicators on the base of the data mentioned under point (2a). Calculations will have to be complemented by estimations where no detailed data is available.

- c) In order to obtain the complete home country activities of credit institutions, the activities of branches of Member State 2 located in other EEA countries have to be added. This will be done on the base of the data mentioned under point (2a) complemented by estimates where necessary.
- d) A similar treatment of data for the branches established in non-EEA countries (on the basis of variable 45 410 covering business written in non-EEA countries) is needed.
- e) Branches of non-EEA credit institutions are however already covered by the data transmitted by Member States 2 as authorised there.
- f) For the freedom of provision of services business, no treatment of the data will have to be carried out at Eurostat.

Conclusions:

Freedom is left to Member States to use the home or host country approach. Basic data will however be compiled according to both approaches (i.e. including or excluding the branches abroad) in order to satisfy the broad range of user needs.

ANNEX 2

Calculation method of ratios used for the publication

Income on cost ratio: Operating income divided by Operating expenses.

Operating income is made of Net interest income *plus* Income from securities *plus* Commission receivable *plus* Net profit or net loss on financial operations *plus* Other operating income.

Operating expenses is made of Commission payable *plus* General administrative expenses *plus* Other operating charges, *excluding* value adjustments.

Net commission income: Commission receivable *minus* commission payable.

Net commission income as a percentage of balance sheet total: (Commission receivable *minus* commission payable) divided by balance sheet total.

Net interest income as a percentage of balance sheet total: (Interest receivable and similar income *minus* Interest payable and similar charges) divided by balance sheet total.

Net interest income/Net commission income: (Interest receivable and similar income *minus* Interest payable and similar charges) divided by (commission receivable *minus* commission payable).

Return on assets: (Profit or loss on ordinary activities *minus* All taxes (tax on profit or loss on ordinary activities, tax on extraordinary profit or loss, other taxes)) divided by Balance sheet total.

Return on equity: (Profit or loss on ordinary activities *minus* All taxes (tax on profit or loss on ordinary activities, tax on extraordinary profit or loss, other taxes)) divided by Total of capital and reserves.

Production value per person employed: (Interest receivable and similar income *minus* Interest payable and similar charges *plus* Income from securities *plus* Commissions receivable *plus* Net profit or net loss on financial operations *plus* other operating income) divided by number of persons employed.

ANNEX 3

Availability of data on the draft annex 6 to the Regulation 58/97

Credstat Questionnaire ‘Data collection results on Credit Institutions’ (1997 data):
returned answers on variables listed in draft Annex 6 to Council Reg. 58/97

[illegible]

ANNEX 3

Availability of data on the draft annex 6
to the Regulation 58/97

**Credstat Questionnaire 'Data collection results on Credit Institutions' (1997 data):
returned answers on variables listed in draft Annex 6 to Council Reg. 58/97**



	B ¹	DK ²	D ³	EL ⁴	E ⁵	F ⁶	IRL ⁷	I ⁸	L ⁹	NL ¹⁰	A ¹¹	P ¹²	FIN ¹³	S ¹⁴	UK ¹⁵	IS ¹⁶	NO ¹⁷	CH ¹⁸	Comments
<i>Interest receivable and similar income by product</i>																			Optional
<i>Interest payable and similar charges by product</i>																			Optional
<i>Commissions receivable by product</i>																			Optional
<i>Commissions payable by product</i>																			Optional
<i>Number of EEA branches</i>																			
<i>Interest receivable and similar income, business written by EEA branches</i>	c																c		
<i>Balance sheet total, business written by EEA branches</i>	c																c		
<i>Interest receivable and similar income, FPS business in other EEA countries</i>																			Optional
<i>Interest receivable and similar income, branch business in non-EEA countries</i>																			Optional
<i>Interest receivable and similar income, FPS business in non-EEA countries</i>																			Optional
<i>Persons employed by category of credit institutions</i>																			
<i>Number of employees in full-time equivalent units</i>																			
<i>Automatic teller machines owned by credit institutions</i>																			
<i>Number of accounts linked to CPA categories</i>															**				Optional
<i>Number of loans and advances to customers linked to CPA categories</i>																			Optional
<i>Number of local units by region</i>	1996*										***								
<i>Number of persons employed by region</i>	1996*										***								
<i>Wages and salaries by region</i>	1996*										***								Optional

¹ Banque Nationale de Belgique/INS² Finanstilsynet/Danmarks Statistics³ Deutsche Bundesbank/StBA⁴ Bank of Greece/NSSG⁵ Banco de España/INE⁶ Banque de France/INSEE⁷ Bank of Ireland/CSO⁸ Banca d'Italia/ISTAT⁹ BCL/STATEC¹⁰ De Nederl. Bank/CBS¹¹ Österr. Nationalbank/ÖSTAT¹² Banco de Portugal/INE¹³ Bank of Finland/Statistics Finland¹⁴ Riksbanken/Statistics Sweden¹⁵ Bank of England/ONS¹⁶ Bank of Iceland/Statistical Bureau of Iceland¹⁷ Bank of Norway/Statistics Norway¹⁸ Banque Nationale Suisse/OFS

* 1997 not available

** Available with refined definitions

*** Time lag of 18 months

c Confidential data

NOTE: In general, the results have been compiled
on the basis of NACE category 65.12.

Exceptions to this concern cases where data was
only available on other NACE categories.

Key:

Data available

Data not available



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